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THE STATE BOARD OF INSURANCE

THE STATE OF TEXAS

# ANNUAL REPORT

For the Year Ending August 31, 1990

**James E. Saxton, Jr.**
Chairman of the Board

**Richard Reynolds**
Member

**Jo Ann Howard**
Member

**A.W. Pogue**
Commissioner of Insurance

**STATE BOARD OF INSURANCE**

**1110 SAN JACINTO** **AUSTIN, TEXAS 78701-1998** **(512) 463-6169**

**JAMES E. SAXTON, JR., Chairman**
**RICHARD F. REYNOLDS, Member**
**JO ANN HOWARD, Member**

**A. W. POGUE, Commissioner**
**ERNEST A. EMERSON, Fire Marshal**
**NICHOLAS MURPHY, Chief Clerk**

December 17, 1990

The Honorable William P. Clements, Jr.
Governor of Texas
Capitol Building, Room 200
Austin, Texas 78701

Dear Governor Clements:

We are pleased to submit the 115th Annual Report of the Texas State Board of Insurance for the year ended August 31, 1990. This report is in compliance with Section 12, Article 1.10, *Texas Insurance Code* and Section b, Article 1.25, *Texas Insurance Code*.

The agency annual financial report, contained in Part V of this report, also was submitted under separate cover on December 5, 1990 in compliance with the General Provisions of the Appropriations Act, Article V, and in accordance with the requirements established by the Comptroller of Public Accounts.

Copies of this report are being filed simultaneously with the State Auditor, State Treasurer, Legislative Budget Board, Comptroller of Public Accounts, Legislative Reference Library and State Library. Members of the Legislature will be notified of the availability of the report as required in Section b, Article 1.25, *Texas Insurance Code*.

If you have questions regarding the contents of this report or affairs of the State Board of Insurance, we will be happy to respond.

James E. Saxton, Jr.
James E. Saxton, Jr., Chairman

Richard F Reynolds
Richard F. Reynolds, Member

Jo Ann Howard
Jo Ann Howard, Member

A. W. Pogue
A. W. Pogue,
Commissioner of Insurance

# ANNUAL REPORT
# TO THE GOVERNOR
# FOR FISCAL YEAR
# 1990

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# PART I: REPORTS OF PROGRAM ACTIVITY

# *Introduction*

*This section of the State Board of Insurance 115th Annual Report gives a brief summary of major activity of agency programs and divisions during Fiscal Year 1990. Although subsequent refinements and adjustments to the agency organizational pattern occurred, this report reflects the structure of the agency as it existed at the close of the fiscal year (August 31, 1990).*

# PREFACE

Fiscal Year 1990 was a year of challenge, introspection and progress for the State Board of Insurance.

Like its counterparts in other states, the State Board of Insurance was obliged to respond to widespread questioning of both the solvency of the insurance industry and the ability of the states to regulate effectively in the best interests of both policyholders and taxpayers.

Another challenge was the monumental task of digesting and putting into effect scores of new insurance laws. Most of the 184 insurance-related bill passed by the 71st Legislature took effect on or near the start of the fiscal year. Many of these required interpretation, implementation and enforcement by the State Board of Insurance, including S.B. 1, the *Texas Workers' Compensation Act*.

At the same time, an extended period of self-examination by the State Board of Insurance yielded its initial results. As a result, the agency was more vigorous, better managed and possessed of a more focused sense of direction at year's end than at its beginning.

Studies performed for the agency during Fiscal Year 1989 by Colonel James B. Adams and the Touche Ross, Arthur Anderson and Coopers & Lybrand consulting firms, as well as separate reports from the State Auditor, yielded 220 separate recommendations for strengthening both internal administration and the regulation of insurance. By the end of Calendar Year 1990, the agency had implemented 57 percent of these recommendations, with plans to carry out another 24 percent during the remainder of Fiscal Year 1991.

Coupled with implementation of the consultant recommendations was long-range strategic planning, an invaluable exercise never before attempted by the State Board of Insurance. The process was begun by top-level management, which approved a 1990 mission statement declaring that

> **The mission of the State Board of Insurance is to protect the public and its trust in the business of insurance and certain fire protection industries through the fair, efficient, effective and proactive administration and enforcement of state laws and through promoting an understanding of the principles of safety, solvency, equity, affordability, availability and consumer responsibility.**

The strategic plan for Fiscal Years 1990-1991, embodying each division's detailed strategies for carrying out this mission, was adopted December 18, 1989. Virtually every employee of the agency contributed to the planning process and shares in the responsibility for carrying out the plan.

## SOLVENCY ISSUES

Of necessity, the goals embodied in this plan include:

> **To improve and strengthen solvency regulation to minimize adverse effects on consumers and taxpayers.**
>
> **To reduce hazardous activities resulting from fraudulent, poor or inadequate management, marketing or underwriting activities.**

The increase in the number of Texas domestic insurance company failures during the late 1980s lent urgency to strengthening the agency's financial monitoring of insurance companies. The number of domestic insolvencies rose from two in Fiscal Year 1986 to five in 1987, nine in 1988, 19 in 1989 and 19 again in 1990.

The number of insurer insolvencies also was on the rise nationally, prompting a Congressional investigation that culminated in the report, *"Failed Promises: Insurance Company Insolvencies,"* which questioned the effectiveness of state insurance regulation and sought to draw a parallel with the massive failure of savings and loan associations (S&Ls). This comparison and the public pronouncements of others who drew upon its conclusions aroused needless and anxiety among insurance policyholders.

Both regulators and private sector analysts were compelled by this intense public concern to review the available data to determine whether the fate of the S&Ls was likely to befall the insurance industry.

Their conclusion was that although insurer solvency must continue to be monitored closely and although some companies inevitably will fail, the parallels between the S&L debacle and the future of the insurance industry were drawn with very shaky hand indeed.

Some facts bearing on the alleged similarity to the S&Ls include these:

- One major reason for S&L failures was deregulation. By contrast, insurance companies are closely regulated, from the rates they charge to the kinds and amounts of investments they may make.

- A measure of the health of a financial services industry is leverage -- the ratio of surplus (or net worth) to assets. Leverage is particularly important because it represents the "cushion" against unexpected losses. The property-and-casualty insurance industry's leverage has remained consistently in the 25 percent range for 20 years. Companies with a surplus-to-assets ratio of less than 15 percent account for only 10 percent of the industry's total assets. By comparison, in 1987, S&Ls' net worth amounted to less than four percent of assets after slipping from almost six percent over the preceding 10 years.

- Real estate and mortgages, whose rapid decline in value and marketability contributed to the S&Ls' collapse, account for only one percent of the property and casualty industry's assets.

- Real estate and mortgages makeup 24.3 percent of the assets of the top 125 life companies, which have 85.2 percent of the life insurance industry's total assets.

- Only 14 of the 1,036 foreign and domestic life insurance companies doing business in Texas in 1989 held mortgages valued in excess of 25 percent of their admitted assets. Only six had more than 50 percent of their assets invested in mortgages.

- The quality of assets of insurance companies generally is good. A recent analysis by the National Association of Insurance Commissioners (NAIC) indicates that, nationwide, the property-and-casualty industry has less than one percent of assets in non-investment-grade bonds. Life insurers had less than four percent of their assets in bonds of this quality.

- Property-and-casualty company reserves totaled $266 billion as of December 31, 1989, meaning that reserves would have to be misstated by 50 percent to absorb the industry's $134 billion surplus.

- While net property-and-casualty premiums increased 78 percent over the past five years, loss reserves rose 103 percent and policyholders' surplus increased 109 percent.

- The federal bailout of S&Ls in Texas cost more than $30 billion through July 1990. Texas insurance companies would have to fail for the next 400 years at the same rate as in Fiscal Year 1989 to reach that amount in guaranty fund payments.

Although a replay of the S&L collapse in the insurance industry is unlikely, strengthening solvency surveillance is the highest priority of insurance regulators nationwide, including the Texas State Board of Insurance.

As this annual report indicates, the State Board of Insurance has taken vigorous action in the past fiscal year to strengthen this aspect of insurance regulation, including the computerization of several data collection and analysis functions. This is essential in a state with a dramatically higher number of domestic insurers to regulate than any other state. According to an annual survey by the NAIC which compared Calendar Year 1989 data, Texas had 745 domestic insurance companies and health maintenance organizations -- 300 more than second-place Illinois.

In Fiscal Year 1990, 19 domestic companies -- 13 life-and-health, five property-and-casualty and one title -- failed in Texas. This was consistent with the trend that emerged in the mid-1980s. Although the failure of such high-risk automobile insurers as National County Mutual Fire Insurance Company and Best Lloyds Insurance Company attracted the most attention, more domestic life-and-health companies (27) than property-and-casualty companies (21) went into receivership during the 1980-89 decade. Texas had more life-and-health insurance company failures during this period than any other state.

There are several reasons for this:

1. Texas had more domestic life companies than any other state -- 428, counting fraternal benefit societies. The second-ranked state, Illinois, has only 115. By comparison, California has only 64 domestic life companies, New York 98 and Florida 54. It would not be unrealistic to expect that a state with many life companies also would have more life company insolvencies than states with a few companies.

2. The second reason is related to the first. Texas' statutory capital and surplus requirements for insurance companies historically have been among the lowest in the nation, offering relative ease of entry into the industry. It might be said that these requirements have been imprudently low, inviting too many financially weak enterprises to enter the insurance business. Until 1983, one could start a legal reserve life insurance company in Texas with $200,000; between 1983 and 1989, a legal reserve life company could be chartered with as little as $600,000. The Legislature raised capital and surplus requirements for life companies to $1.4 million, effective September 1, 1989, but companies formed before then are not required to increase their capital and surplus unless they undergo a change in control. That means Texas still has companies operating with as little as $200,000 in capital and surplus.

3. The recession of the 1980s damaged certain marginal life insurers. The number of new receiverships during that decade mirrors the state's economic downturn. Many people suffered a reduction in their discretionary income, and there was a concomitant drop in demand for cash-value life insurance policies -- the bread-and-butter of the life insurance industry. Some life companies sought to bolster their cash position by entering the much riskier health insurance market, often without the experience and careful underwriting that this field of coverage demands. An analysis by the State Board of Insurance staff of 23 domestic life companies that failed in the 1980s and which submitted annual statements on their final year of operation indicates that 14 of them -- more than 60 percent of the total -- were primarily in the health insurance business at the time they became insolvent.

4. Fraud appears to have played a part in some insolvencies, and this also may have been related to the recession. In some instances, persons controlling life companies held other investments, including oil, real estate and savings and loan interests. When these investments went sour, there was a strong temptation to exploit the investor's insurance companies as a source of cash. A few investors yielded to this temptation.

The agency's Conservation of Companies Division has observed that a number of life-and-health insurers filed when their management yielded to the lure of cash flow and counted upon a delay of loss development. Insufficiently capitalized, these companies were unable to absorb the ensuing adverse loss development while rate adjustments were made. As the fiscal year drew to a close, Conservation observed a positive trend: companies writing accident-and-health insurance at unrealistically low premiums were leaving the marketplace, either voluntarily or through court-ordered liquidation.

Most of the companies that Conservation was able to rehabilitate were property-and-casualty insurers. This was attributed in part to the fact that these companies have higher capital and surplus requirements than life-and-health writers and their rates are, for the most part, regulated by the State Board of Insurance. As a result, adjustments in operations were able to compensate for adverse loss development. Moreover, the likelihood of future profitability provided an incentive for the owners and shareholders to develop workable rehabilitation plans with the supervisor or conservator.

In general, the companies that failed in Fiscal Year 1990 -- both life-and-health and property-and-casualty -- tended to be smaller insurers. The largest life-and-health failure was Great Southwest Life, a Texas domestic, with an $18.3 million potential guaranty fund liability. American Pacer Insurance Company, also a Texas domestic, was the largest property-and-casualty failure in Fiscal Year 1990, with an estimated potential guaranty fund liability of $19 million for claims and unearned premium.

## SOLVENCY REGULATION

No matter how small the company, each insolvency causes human misery; each insolvency also reduces state revenues when insurance companies recover their guaranty fund assessments through gross premium tax credits. It is important, therefore, to either prevent an insolvency from occurring or, if that is impossible, to control the damage that inevitably results. The objective of solvency regulation, therefore, is to identify financial difficulties and/or potential fraud at the earliest possible date so that (1) salvageable companies may be rehabilitated and (2) companies that are hopelessly insolvent may be placed into receivership early enough to minimize the harm to both policyholders and guaranty funds.

Like insurance regulators in other states, the State Board of Insurance placed renewed emphasis on solvency regulation during Fiscal Year 1990. Progress in the agency's development of a state-of-the-art Early Warning System and other regulatory initiatives are detailed elsewhere in this report.

The issuance of hazardous condition rules early in the fiscal year presented staff with specific written criteria for use in financial analysis of insurance companies and strengthened the Commissioners' ability to take corrective action. During the fiscal year, the agency placed greater emphasis on targeting examinations to certain high-risk areas of company operations rather than relying on the traditional, triennial, full-scope examinations to identify companies in financial trouble. The agency gained the benefit of more timely and accurate company financial profiles by establishing a direct link between the agency's mainframe computer and the NAIC mainframe, which contains annual statement data from most United States insurers. Another improvement occurred with creation of a separate division to more closely monitor reinsurance, with the objective of identifying improper or potentially fraudulent transactions that might threaten a company's solvency.

At least in part because of advances in solvency regulation, fewer companies had to be placed in rehabilitation during Fiscal Year 1990. Thirty-one companies were placed in supervision or conservatorship, compared to 49 the previous year.

## ENFORCEMENT

Enforcement of Texas insurance laws continued to receive a high priority during the past fiscal year. Restitution to consumers, monetary forfeitures ordered by the Commissioner and civil penalties for violation of the *Texas Insurance Code* totaled $56,893,046, exceeding the agency's legislative appropriation for Fiscal Year 1990. The total grows to more than $58 million when the value of monetary forfeitures and agreed remedial action and/or restitution ordered by the State Fire Marshal is added. Details of the agency's enforcement efforts are presented in the narrative portion of this report dealing with the Compliance Program and the State Fire Marshal's Office.

Unauthorized insurance remained an area of major concern. During Fiscal Year 1990, economic conditions and the dislocations in the marketplace adversely affected the availability and affordability of certain coverages through the admitted market, particularly health coverages for small employers, workers' compensation and performance bonds for contractors. These adverse conditions generated a dramatic increase in unauthorized activities requiring State Board of Insurance investigation. This increase is projected to continue unless the underlying conditions affecting availability and affordability are corrected. If current trends continue, there likely will be an increase in fraudulent health plans, bogus workers' compensation schemes, illegal performance bonds and other unauthorized activities.

These schemes commonly involve criminal fraud, and the State Board of Insurance has worked closely with prosecutors in these matters because criminal penalties appear to be the most effective deterrent. In addition, the Board hosted a three-day International Anti-Fraud Symposium in April.

Among the newer wrinkles in fraudulent insurance was the misuse of staff-leasing arrangements, in which businesses "fire" all their employees, who are hired by a personnel leasing company, which then leases them back to the original employer. Personnel-related costs, including insurance, are assumed by the staff leasing company, which offers lower operating expenses as an incentive to do business. During Fiscal Year 1990, the agency was involved in litigation against staff-leasing arrangements that used unlicensed insurers to provide workers' compensation and/or health insurance to small employers.

The beginning of the fiscal year marked the effective date of new authority for the Commissioner to issue emergency cease-and-desist orders, without prior hearings, to halt fraudulent activities and deceptive trade practices. This new consumer protection weapon was used extensively, with the issuance of 29 orders during the fiscal year -- or an average of one order every 12 days.

## AVAILABILITY AND AFFORDABILITY PROBLEMS

Rising prices and/or restrictions on availability contributed to some of the unauthorized insurance problems discussed in the preceding section and were among the major issues confronting regulators and policymakers nationwide during Fiscal Year 1990. These problems were particularly acute in workers' compensation and health insurance.

### Workers' Compensation

Driven upward by spiraling losses, Texas workers' compensation rates rose 203 percent from December 31, 1984, through January 1, 1990. Despite double-digit annual rate increases, industrywide loss ratios for workers' compensation in Texas exceeded 100 percent in every year since 1984. In Calendar Year 1989, which included the first four months of the fiscal year covered by this report, insurers incurred $3,497,452,087 in claims while earning $3,415,483,998 in premium, for a loss ratio of 102.4 percent.

Meanwhile,the voluntary market shrank substantially, as indicated by a threefold growth in the number of employers written by the Texas Workers' Compensation Assigned Risk Pool (TWCARP). Risks covered by the pool rose from 26,136 in 1984 to 86,575 in 1989. Premium paid by these employers was severely inadequate to cover the losses sustained by the pool, resulting in a record deficit of $551.2 million on 1989 operations. The fact that assessments to cover the deficit are based upon market share contributed to the reluctance of most companies to write workers' compensation risks voluntarily, further fueling the trend which made the pool the state's largest workers' compensation writer in terms of risks covered and premium written. The voluntary market tightened even more when the leading private workers' compensation insurer, Texas Employers Insurance Association, stopped writing both new business and renewal policies.

Enactment of S.B. 1 in 1989 offered reason for optimism that the loss trend which generated the run of six consecutive years of double-digit rate increases would come to an end. In addition, premium surcharges and differentials approved by the Board during Fiscal Year 1990 for risks in the pool appeared to be contributing to a stabilization of the TWCARP's deficit. Special provision was made to avoid penalizing small employers that were placed in the pool only because they generated small amounts of premium and not because of poor loss records or unusual hazard.

### Health Insurance

Policymakers throughout the nation are seeking solutions to a growing crisis of affordability and availability of health insurance. Costs of this coverage are rising rapidly. A nationwide survey indicated that total costs of employer-sponsored health care plans rose 16.7 percent in 1989. Double-digit increases have been the norm for the State of Texas' own employee health insurance program since the mid-1980s. The State Board of Insurance has received complaints of triple-digit increases from some small employers. Premiums for individual accident and health policies also have risen substantially.

Employees of large corporations and government units commonly are well-protected by either conventional group insurance or self-funded plans. But small employers report increasing difficult in obtaining affordable coverage, and the number of Texans without any kind of health insurance -- either government or private -- has risen from an estimated 2.7 million in 1986 to 3.1 million in 1989. The percentage of Texans without health coverage also has increased, from 16.3 percent in 1986 to 17.4 percent in 1989. Many of these uninsured Texans are employed in low-wage jobs by small businesses that do not offer group insurance. These workers have neither the security of employer-sponsored coverage nor sufficient income to afford individual accident and health policies.

Beyond humanitarian considerations, which are obvious, the State Board of Insurance is concerned about the illegal operations which have attempted to fill this vacuum of availability and affordability.

Unlicensed, self-insured multiple employer welfare arrangements (MEWAs) were targeted in a number of unauthorized insurance investigations. When confronted by regulators responding to consumer complaints about unpaid claims, the operators invariably claim exemption from state interference under provisions of the federal *Employee Retirement Income Security Act* of 1974. What usually follows is a protracted investigation to determine whether a particular arrangement legitimately qualifies for the exemption. This is followed by litigation to shut down the operation and, where possible, obtain financial redress for its victims. The time consumed by investigation and litigation means months of additional premium collections for the perpetrators of these frauds. Inevitably, the MEWA files bankruptcy, leaving behind numerous unpaid claims. During Fiscal Year 1990, four MEWAs were targets of cease-and-desist orders or permanent injunctions, and another five were in litigation. In May 1990, Board Member Jo Ann Howard appeared before the U.S. Senate Permanent Subcommittee on Investigations as an invited witness to outline the problem and recommend new federal legislation and enforcement efforts to alleviate it.

### Personal Lines

Signs of potentially harmful availability problems also began appearing in such personal lines markets as automobile and homeowners insurance. One possible symptom of a restricted market was the 10 percent increase in applications to the Texas Automobile Insurance Plan, the state's assigned risk pool, during the first 10 months of Calendar Year 1990. Homeowners' insurance, which had an industrywide loss ratio of 112.8 percent in Texas in 1989, became difficult to obtain in certain areas of the state.

Several companies utilizing the American Agency System either stopped writing personal lines coverage in Texas or restricted their writings. In some instances, this was part of a nationwide strategy on the part of particular companies. The Board conducted a hearing on May 18, 1990, to hear from the companies their reasons for these restrictions.

Issues raised during discussion of the perceived homeowners' market problem, helped focus attention on the need for realignment of property rating territories. The Board increased the number of rating territories from four to 21 to make rates more reflective of regional and local differences in losses, which are related to the state's divergent weather patterns.

As the fiscal year ended, the Board continued to keep a cautious eye on the personal lines market.

## AGENCY MANAGEMENT

Implementation of the recommendations made by the Board's consultants has resulted in numerous improvements in the internal operations of the agency. One of the most important was completion of a functional review of each division, which was performed in conjunction with the agency's objective of reducing the number of employees by five percent through attrition. This review helped the Commissioner to identify and eliminate certain overlapping and duplicative functions. For example, print shops operated by both the Liquidation Activity and the Administrative Services Program were combined. The functional review also enabled the agency to create a position control system that targeted jobs that may be filled only with the Commissioner's explicit authorization.

In the human resources area, a *Personnel Manual* was issued so that agency policies are communicated clearly to all employees. Hiring practices were revised, and grievance and disciplinary systems were put in place.

Of particular importance to an agency that regulates some 2,300 insurers, 100,000 agents and 200 third-party administrators is better information resources management. The agency began moving toward agencywide automation during the fiscal year. Computerization was expanded in the financial monitoring area, and the Liquidation accounting system was automated. It is intended that processing of claims against health insurers in receivership be computerized by the Spring of 1991, and that property-and-casualty claims handling be automated by the Fall of 1991. This will replace a costly, inefficient manual system and be of great benefit to claimants of these companies, who in many cases have had to wait a year or more to receive their payments.

## CONCLUSION

The report that follows tells a story of progress in many areas of the agency as Texas moves toward a goal of making its insurance regulatory system one of the most efficient and effective in the nation. The State Board of Insurance is proud of the results achieved in Fiscal Year 1990 and is dedicated to maintaining the momentum that has been achieved.

## BOARD OFFICES

The State Board of Insurance (SBI) consists of three full-time members appointed by the Governor and serving overlapping six-year terms beginning on the first day of February of each odd-number year. The Board determines agency policy, makes rules, promulgates or approves rates for most property/casualty lines of insurance, hears appeals from rulings of the Commissioner and State Fire Marshal and carries out other responsibilities as directed by the *Texas Insurance Code* and other applicable statues. The program consists of the Board Offices, Chief Clerk and General Counsel (Board Administration Activity); Statistical and Rate Development; Statutory Implementation; and Information Services.

**Figure 1. Summary of Activity - Board Offices**

| | FY 89 | FY 90 |
|---|---|---|
| Board Meetings | 88 | 67 |
| Public Hearings | 33 | 39 |
| Board Orders | 1,718 | 2,009 |

### CHIEF CLERK

Article 1.08, *Texas Insurance Code* states that the Chief Clerk shall have the responsibility of keeping and maintaining all records and proceedings of the Board. In fulfilling duties and responsibilities for the supervision and maintenance of records of all official actions of the Board, the Chief Clerk supervises and is ultimately responsible for the following: (a) maintaining all records and proceedings of the Board; (b) properly posting Board meetings and hearings; (c) giving official or informal notice to parties and persons of Board hearings and meetings; and (d) filing rules and rule changes with the Secretary of State.

The Chief Clerk's responsibilities include:

- Performing legal research and providing the Board with advice on legal and technical problems, with particular emphasis on rulemaking.
- Conducting an ongoing review of the agency's rules and rulemaking procedure.
- Drafting opinion requests, legal briefs and other correspondence.
- Occasionally assisting the Attorney General with cases.
- Assisting in the drafting and editing of proposed legislation.
- Performing other legal work, including attending hearings and meetings.

### GENERAL COUNSEL

The General Counsel serves as chief legal advisor to the Board, assists the Board in developing various policies and rules, and manages the Statutory Implementation Activity. The General Counsel advises the Board on issues such as rules, ratemaking, appeals from the Commissioner and the State Fire Marshal, proposed legislation, implementation of the laws, and proposals from the public.

The General Counsel provides support and direction to the Attorney General with respect to Board-related litigation. Preparing briefs and correspondence explaining insurance issues, the General Counsel also assists with interaction between the Board, the Legislature, other government officers and administrative agencies. The General Counsel monitors federal and other states' legislation and litigation, recommending Board responses when appropriate.

The General Counsel participates in drafting, reviewing, and recommending legislation and advises the Board on the need for legislation and the probable impact of passage of particular bills. The General Counsel may represent the Board in testifying before the Legislature as a resource witness. In addition, the General Counsel works with representatives of other states in drafting model laws that may be proposed in Texas to help achieve uniformity in state regulation of insurance.

The General Counsel assists the Commissioner's staff in developing and interpreting Board rules, policies and decisions and also serves as the Board representative on agency committees developing administrative legal policy and procedures.

## STATISTICAL AND RATE DEVELOPMENT

The Statistical and Rate Development activity consists of three divisions: (1) Property/Casualty Actuarial Division; (2) Base Rate Division; and (3) Closed Claim/Financial Data Division.

### *Property/Casualty Actuarial Division*

This division is responsible for preparing recommendations and advising the Board concerning rate levels for all regulated property/casualty coverages. Seven hearings on promulgated lines were held in Fiscal Year 1990. In addition, this division processed 56 company rate filings, primarily for medical professional liability coverage.

Figure 2. Hearings on Promulgated Rates – Fiscal Year 1990

| | Public Hearing Date | Effective Date of Rate Revision |
|---|---|---|
| Commercial Automobile | 09/27/89 | 02/15/90 |
| Workers' Compensation | 10/17/89 | 01/01/90 |
| Title | 11/27/89 | 02/01/90 |
| Private Passenger Automobile | 12/13/89 | 05/01/90 |
| Commercial Multi-Peril | 05/09/90 | No Change |
| Commercial Property | 08/29/90 | 04/01/91 |
| Residential Property | 08/29/90 | 04/01/91 |

A ten-year history of manual rate changes for major promulgated insurance lines is shown in the following tables:

**Figure 3. 10-Year History: Residential Property Rate Changes* (1981 - 1990)**

| Date | Fire | Extended Coverage | Homeowners | Tenant Homeowners | Farm & Ranch Owners | All Coverages Combined |
|---|---|---|---|---|---|---|
| 09/01/81 | -16.7% | + 9.4% | + 6.1% | + 25.0% | + 13.6% | + 5.1% |
| 09/01/82 | + 5.8 | -23.9 | -20.0 | + 22.3 | -17.5 | -16.4 |
| 10/01/83 | + 13.8 | - 7.0 | - 5.9 | + 10.2 | - 7.1 | - 3.0 |
| 03/01/85 | -12.1 | - 3.7 | - 8.6 | + 19.2 | - 9.2 | - 6.5 |
| 11/15/85 | + 10.0 | -17.9 | + 6.7 | -25.0 | + 4.0 | + 10.0 |
| 03/01/87 | -20.4 | + 13.0 | + 8.6 | -10.8 | + 11.8 | + 5.3 |
| 03/01/88 | - 9.1 | -11.6 | - 2.4 | - 7.7 | - 2.6 | - 3.6 |
| 06/01/89 | - 0.6 | + 2.6 | + 8.2 | + 1.0 | + 10.3 | + 7.2 |
| 03/01/90 | - 1.0 | + 2.1 | + 0.8 | - 3.3 | + 2.9 | + 0.8 |

* *Statewide Average Manual Rate*

**Figure 4. 10-Year History: Commercial Property Rate Changes* (1981 - 1990)**

| Date | Fire | Extended Coverage | Spec. E.C. | All Coverages Combined |
|---|---|---|---|---|
| 09/01/81 | + 25.0% | + 8.8% | --- | + 18.1% |
| 09/01/82 | -25.0 | - 1.0 | - 3.7 | -15.0 |
| 10/01/83 | -16.2 | - 3.0 | + 3.0 | - 9.8 |
| 03/01/85 | + 18.3 | + 0.1 | + 11.4 | + 8.6 |
| 11/15/85 | + 0.5 | -10.1 | + 17.8 | + 3.9 |
| 07/01/87 | -25.0 | -11.1 | - 4.9 | -18.6 |
| 11/01/88 | -25.0 | -14.8 | - 0.8 | -19.3 |
| 03/01/90 | -12.6 | + 1.2 | + 5.3 | - 4.8 |

* *Statewide Average Manual Rate*

**Figure 5. 10-Year History: Private Passenger Automobile Rate Changes* (1981 - 1990)**

| Date | Total Liability (Total Limits) | All Physical Damage Coverages Combined | All Liability & Physical Damage Coverages Combined |
|---|---|---|---|
| 11/01/81 | + 10.0% | + 21.9% | + 16.3% |
| 11/01/82 | + 19.2 | + 11.0 | + 14.8 |
| 02/01/84 | + 11.1 | - 3.3 | + 3.7 |
| 02/01/85 | + 3.4 | -11.3 | - 3.8 |
| 02/01/86 | + 3.4 | -13.4 | - 5.1 |
| 05/01/87 | + 16.2 | + 3.4 | + 9.8 |
| 05/01/88 | + 12.4 | - 5.1 | + 3.9 |
| 06/01/89 | + 14.8 | -18.5 | - 0.3 |
| 05/01/90 | + 9.0 | - 7.3 | + 2.9 |

* *Statewide Average Manual Rate*

Figure 6. 10-Year History: Commercial Automobile Rate Changes* (1981 - 1990)

| Date | Total Liability (Total Limits) | All Physical Damage Coverages Combined | All Liability & Physical Damage Coverages Combined |
|---|---|---|---|
| 05/01/81 | + 15.9% | - 6.8% | + 8.4% |
| 06/01/82 | + 6.2 | + 10.2 | + 7.5 |
| 07/01/83 | + 8.2 | + 4.6 | + 7.0 |
| 05/01/84 | + 25.4 | + 4.1 | + 17.2 |
| 05/01/85 | + 17.9 | - 7.2 | + 9.3 |
| 05/01/86 | + 12.0 | - 2.4 | + 6.9 |
| 05/01/88 | + 24.4 | -24.6 | + 9.5 |
| 02/15/90 | -23.6 | - 2.3 | -20.0 |

* *Statewide Average Manual Rate*

Figure 7. 10-Year History: Title Insurance Rate Changes (1981 - 1990)

| Year | Rate Change |
|---|---|
| 1981 | + 9.0% |
| 1982 | + 7.7 |
| 1983 | + 6.9 |
| 1984 | + 3.8 |
| 1988 | + 14.0 |
| 1989 | + 17.2 |
| 1990 | + 4.9 |

Figure 8. 10-Year History: Workers' Compensation Rate Changes* (1981 - 1990)

| Effective Date | Rate Change |
|---|---|
| 02/01/81 | - 4.0% |
| 09/01/82 | + 1.8 |
| 09/01/83 | - 1.6 |
| 01/01/85 | + 8.6 |
| 10/01/85 | + 28.3 |
| 01/01/87 | + 16.8 |
| 01/01/88 | + 24.0 |
| 01/01/89 | + 17.8 |
| 01/01/90 | + 22.0 |

* *Statewide Average Manual Rate for Statutory Classes, Excluding Benefit Changes.*

This division also is responsible for collection and analysis of property/casualty ratemaking data and for publication of statistical reports such as the property/casualty hearing exhibits, rate bulletins, *Property & Casualty Premium and Losses* (Page 14 Report), Instructions for Computer Generation of Auto and Property Insurance Rates and the *Texas Independent Title Insurance Agents Statistical Report.*

**Figure 9. Rate Development Statistical Reports Processed**

| | FY 89 | FY 90 |
|---|---|---|
| Title Insurance Agents | 545 | 243* |
| Title Insurance Underwriters | 16 | 0* |
| Annual Statement Page 14 | 987 | 947 |
| Insurance Expense Exhibits | 678 | 682 |
| Product Liability Expense Exhibits | 231 | 237 |

** Title Statistical Reports were received later than normal due to a major revision in the reporting forms. Reports not processed in Fiscal Year 1990 will be processed in Fiscal Year 1991.*

### *Base Rate Division*

This division is responsible for collecting and auditing some 270,000 unit statistical reports filed by workers' compensation insurers each year. A separate report containing very detailed payroll, premium, loss and claim information is received annually for each workers' compensation policy. This information is used by the Statistical and Rate Development Activity in the calculation of workers' compensation manual rates and by the Workers' Compensation Division in the calculation of experience rating modifiers.

### *Closed Claim/Financial Data Division*

This division was established to implement S.B. 2, *Acts of the 70th Legislature*, 1st Called Session. That act requires the Board to collect and compile closed claim reports and collect financial data filed by insurance companies pursuant to Articles 1.24A and 1.24B, *Texas Insurance Code*. The closed claim reports (filed under Article 1.24B) give detailed information on the final disposition of Texas claims for general and professional liability, commercial auto liability and the liability portion of commercial multi-peril. The *1989 Texas Liability Insurance Closed Claim Annual Report* was completed on March 30, 1990.

## INFORMATION SERVICES

This activity furnishes a wide variety of information to the agency and the public. This is done by:

- maintaining contacts with the news media and trade press to notify them of Board actions and to answer questions;
- providing staff support to members of the Board in their activities as members of the National Association of Insurance Commissioners (NAIC) and serving as agency liaison for the NAIC;

- conducting research as assigned;

- disseminating a daily clipping service containing insurance articles of interest;

- preparing articles and speeches for presentations to public, governmental, industry and regulatory forums;

- researching, drafting, designing, editing and distributing consumer-oriented material;

- writing, typesetting and editing the agency's monthly employee newsletter, *The Bulletin Board;* and

- coordinating publication of the agency annual report and similar projects.

In addition, Information Services staff regularly presents testimony at Board hearings on investment income and property/casualty insurance industry profitability and provides data automation support to the Board Program.

Major activities of Information Services in Fiscal Year 1990 focused on support of agency initiatives and goals to improve public education and information, internal communication and research.

Public information and education initiatives included:

- Developed, published and distributed seven new consumer booklets *(Guidelines for Texas Employers in Purchase of Employee Benefit Plans; Insurance Guaranty Funds: An Insolvency Safety Net; Consumer's Guide to Health Insurance; Continuing Care Retirement Communities; A Consumer Guide: Understanding Purchasing Groups in Texas; What You Should Know Before Buying Medicare Supplement Insurance;* and *Before You Build, Remodel or Repair).* Information Services also cooperated with the Banking Department, Texas Funeral Commission and Life Group in development of a brochure that contained information on pre-paid funeral contracts. In addition, three other publications were revised, updated and reissued.

- Assisted the Market Conduct Activity in development of the agency's first published complaint ratio report on insurance companies in Texas.

- Helped the Unauthorized Insurance Division conceive, write and edit testimony for presentation to the U.S. Senate Permanent Subcommittee on Investigations on May 15, 1990. Testimony focused on the national health care coverage dilemma and the problems created for consumers and regulators by the federal *Employee Retirement Income Security Act* (ERISA).

- Continued to provide assistance to the Property Activity in the development of a readable *Texas Homeowners Policy* which was adopted by the Board on February 14, 1990. To increase public awareness of the new policy, Information Services assisted in development of a pamphlet *(Something New Is Waiting For You)* that is to accompany each new policy and developed and disseminated press information kits statewide. In addition, most of the drafting and development for a comprehensive homeowners insurance guide was accomplished in Fiscal Year 1990 with plans for publication in Fiscal Year 1991.

- Distributed background packets to 1,200 Texas school districts, 1,171 Texas cities and 254 Texas counties containing information on purchase of employee health benefit plans, purchasing groups and fidelity and surety bonds.

- Initiated a new consumer service column called *"Insurance Answers."* During the year, 14 camera-ready columns were distributed to 500 Texas daily and weekly newspapers.

- Conducted separate surveys of insurers writing long term care and Medicare supplement insurance in preparation for updating and republishing two shoppers' guides.

- Fielded more than 3,000 public inquiries regarding the Texas Health Insurance Risk Pool (Article 3.77, *Texas Insurance Code)* and mailed periodic status reports to individuals who requested that they be kept informed on the progress of implementation of the pool.

To improve internal communication, Information Services

- Researched and wrote a three-page history of the State Board of Insurance.

- Developed a booklet for distribution at new-hire orientation sessions titled *Welcome: An Introduction to the State Board of Insurance for New Employees.*

- Revamped and expanded the scope of the agency newsletter in response to a readership survey conducted in February. Based on requests from staff, the newsletter now contains regular advice columns on writing improvement and safety, provides information on insurance issues and background articles on various divisions of the State Board of Insurance. The newsletter was doubled in size (from four pages to eight) to accommodate the new information.

- Assumed responsibility for processing inquiries and information requests received over the NAIC'S INFONET electronic mail system that links all state insurance departments.

- Distributed through the daily clip service some 7,320 pages of news articles on the State Board of Insurance or issues under the jurisdiction of the Board.

- Began monthly distribution of the NAIC newsletter to agency managers.

- Continued to expand availability of information on NAIC meetings and activities to agency managers and employees.

Other activities of Information Services, including research initiatives, include the following:

- Conducted two surveys and other research in cooperation with the Financial Program and Liquidation and Conservation Activities that led to publication on October 19, 1990, of a report titled *Texas Domestic Insurance Company Failures in the 1980s.* The report, which focuses on causes of insurer failures, will be replicated for all companies (domestic and foreign) which failed during Fiscal Year 1990. Information about the survey was presented at a meeting of the American Risk and Insurance Association on August 21, 1990.

- Studied the availability of health insurance and the problem of the uninsured from which a conceptual outline for a solution was drafted and exposed for comment. It is titled *The Health Care/Health Insurance Marketplace: A Crisis in the Making and an Alternative for Texas.*

- Presented testimony in six property/casualty rate hearings and one special hearing by the Board on investment income treatment in property/casualty rate development.

- Began cataloguing some 1,000 titles that constitute the agency Research Library which is managed by Information Services.

- Worked with the Reserve Actuaries Activity and Commissioner's Office in a cooperative project with the State Auditor and two professors from the University of Texas at Austin in development of an operational prototype data envelopment analysis and logistic regression on insurer solvency measures which is intended to produce efficiency and insolvency probability scales.

- Finalized results of a survey of accident and health insurers conducted in 1989.

- Assisted with tax calculations for presentations to the Joint Select Committee on State Guaranty Funds and an insolvency modeling concept for use in projecting guaranty fund liabilities and premium tax credits under six different hypothetical scenarios.

- Helped the Life Group develop a survey reporting form and instructions for compliance with H.B. 2608, *Acts of the 71st Legislature.*

- Responded to numerous surveys on insurance and related topics including Medicare supplement insurance, agency resources, long term care insurance and insurer insolvencies.

- Finalized a report for the Governor on the potential impact of mandating workers' compensation coverage in Texas. The report was delivered October 26, 1989.

- Provided processing and programming support to the Statistical and Rate Development Activity for the closed claim reporting requirements under Article 1.24B, *Texas Insurance Code.*

- Participated in the revamping of the National Association of Insurance Commissioner's *By-Line, By-State Profitability Report.*

- Wrote article titled "Investment Income and Property/Casualty Profitability By Line of Insurance: A Test of the Texas Allocations" for the September 1990 (Vol. 9, No. 1) issue of the *Journal of Insurance Regulation.*

**Figure 10. Summary of Activity - Information Services**

| | FY 89 | FY 90 |
|---|---|---|
| Press Releases | 48 | 86 |
| Speeches/Testimony | 19 | 20 |
| Consumer Columns | -- | 14 |
| NAIC'S INFONET Inquiries Processed | -- | 1,185 |
| General Information Requests | 10,845 | 11,365 |
| Electronic Bulletins | 83 | 113 |

## STATUTORY IMPLEMENTATION

Statutory Implementation serves as the agency's liaison to the Legislature. Key responsibilities include the analysis and tracking of insurance-related legislative measures, preparation of information regarding the impact of proposed legislation as requested by the Legislative Budget Board, coordination of agency staff testimony before standing and interim legislative committees, dissemination of requested information to members of the Legislature and to legislative and committee staff, and assistance in monitoring implementation of legislation.

During Fiscal Year 1990, Statutory Implementation coordinated the agency response to more than 2,300 individual inquiries from members of the legislature and their constituents. In addition, staff tracked proceedings of relevant legislative interim and special committees and provided related information for committee use.

Statutory Implementation is responsible for producing the report required under the provisions of Section a, Article 1.25 and Article 1.25A, *Texas Insurance Code*. Statutory Implementation assembled staff recommendations and coordinated public hearings on proposed changes in insurance and other statutes in Fiscal Year 1990 in preparation for this report to be published by December 31, 1990.

During Fiscal Year 1990, the Legislature was convened in five called sessions, including one which focused on reform of the workers' compensation system. In the course of those five sessions, Statutory Implementation tracked 157 bills. Among the staff's key tasks were the coordination of agency assistance in the deliberations on workers' compensation legislation and the compilation of the agency's fiscal note response for the workers' compensation legislation at each stage of the legislative process.

Staff also assisted directly in the implementation of legislation, including S.B. 911, *Acts of the 71st Legislature*, regarding coverage for treatment of alcohol and substance abuse, and S.B. 832, *Acts of the 71st Legislature*, creating a health insurance pool for medically uninsurable Texans (Article 3.77, *Texas Insurance Code)*. Staff attended and summarized meetings of the Advisory Committee on Rules and Treatment Guidelines for S.B. 911 and fielded public inquires on the bill.

Additionally, staff provided clerical and technical support to the governing board of the Texas Health Insurance Risk Pool (Article 3.77, *Texas Insurance Code)* which was created by the 71st Legislature. Staff attended and recorded public meetings of the risk pool governing board, and recorded the public meetings held by that board, conducted research for it as requested, and disseminated information about the risk pool to interested parties.

In addition, staff provided information to and coordinated agency testimony before the Joint Legislative Task Force on Guaranty Funds, the Special Joint Committee on Insurance Regulation and the Workers' Compensation Legislative Oversight Committee.

# COMMISSIONER'S OFFICE

The Commissioner of Insurance is appointed by the Board as the agency's chief executive and administrative officer. As such, the Commissioner is responsible both for management of the agency and for enforcing the *Texas Insurance Code* and rules and regulations promulgated by the Board.

A top priority of the Commissioner's Office during Fiscal Year 1990 was to implement recommendations made in eight separate studies, including those by the State Auditor and three international consulting firms that were retained by the State Board of Insurance to identify needed improvements in agency operations. Of 220 separate recommendations, 57 percent had been implemented by the end of Calendar Year 1990.

Continuation of agencywide strategic planning, which began in Fiscal Year 1989, was another major effort of the Commissioner's Office. The Commissioner and Deputy Commissioners met regularly to review progress toward meeting all objectives. In addition, they led the staff through an update of the strategic plan prior to drafting the agency's *Legislative Appropriations Request* for the 1992-93 Biennium. Related to the planning process and implementation of the consultant recommendations was progress toward development of an agencywide policies and procedures manual as well as separate procedures manuals for each activity within the State Board of Insurance.

Reflecting an expansion of the Commissioner's regulatory authority as well as the agency's emphasis on enforcement, the number of orders issued and formal actions taken by the Commissioner increased by 29 percent.

**Figure 11. Summary of Activity - Commissioner's Office**

| | FY 89 | FY 90 |
|---|---|---|
| Commissioner's Orders/Actions | 4,911 | 6,314 |
| Commissioner's Conferences | 1,186 | 1,321 |

The Commissioner also has primary responsibility for oversight of agency Early Warning activities. The agency Early Warning efforts consist of two components:

1. the Early Warning Management Group, and
2. agencywide efforts--both automated and non-automated--to detect companies headed for insolvency early enough to impose corrective measures.

The Early Warning Management Group (EWMG) was organized in November 1988 and is composed of the Commissioner and the senior managers of the agency regulatory divisions. EWMG members include the heads of the Financial Program, Examinations, Financial Analysis Unit, Conservation, Liquidation, Compliance, Market Conduct, Unauthorized Insurance, Licensing, Property, Casualty, Life Group, and Internal Audit.

The EWMG meets every two weeks to discuss and recommend regulatory measures to be taken against companies that have been identified by the individual members of the group to be in potentially hazardous financial condition.

The EWMG's monitoring is coordinated by a three-member staff that prepares and maintains: (1) the *Watch List* of all companies that have been suggested for Early Warning monitoring; (2) the *Company Report* of any new companies suggested for EWMG review at the biweekly meeting; and (3) the *Assignment Report* which includes all previous assignments and follow-up actions.

During the biweekly meetings, the EWMG discusses any new companies that have been suggested for the *Watch List* and recommends action to the Commissioner. The EWMG also reviews assignments and follow-up actions of those companies previously added to the *Watch List* and recommends any further needed actions. The Commissioner then assigns the corrective regulatory or monitoring measures that are to be taken and deadlines for completion of the assigned actions.

The EWMG is able to identify and monitor potentially troubled companies based on information that is made available through the various regulatory activities of the State Board of Insurance as shown in the chart titled *Information Sources for Early Warning Information System*.

Whenever one of the agency regulatory divisions discovers any one or more of various predetermined hazardous financial condition indicators, information on the company is submitted to the Early Warning Management Group for review and recommended action to the Commissioner. If immediate action is needed, the information is submitted directly to the Commissioner, as shown in the chart titled *Early Warning System*. Thus, the Early Warning System serves to flag companies with hazardous financial conditions, to provide a means for determining corrective measures, and to further monitor the company until the hazardous financial condition is eliminated.

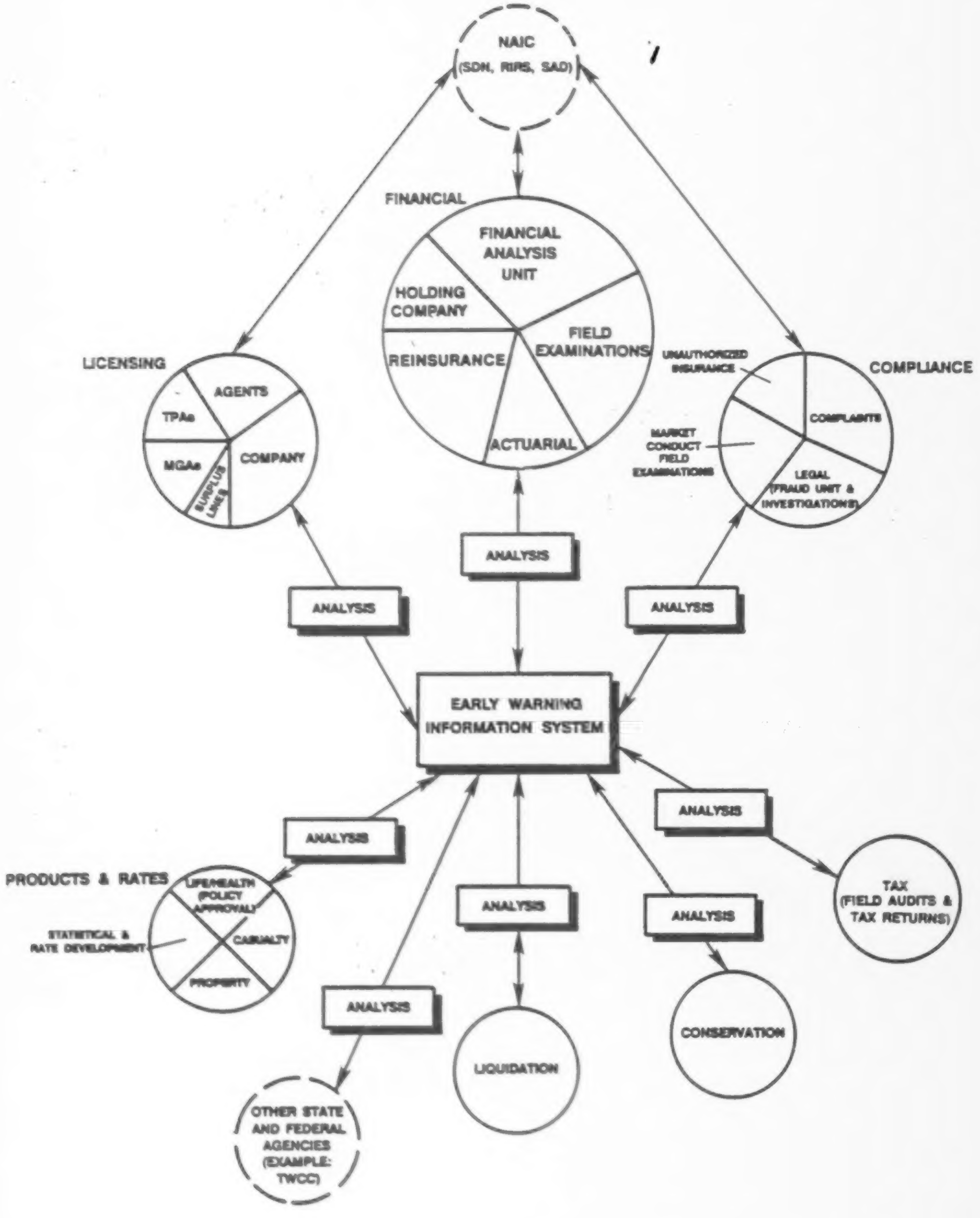
Milestones in the development of Early Warning included the following:

- Adoption of the *Early Warning Information System Policy Manual;*
- Hook-up of the State Board of Insurance mainframe to the National Association of Insurance Commissioners (NAIC) mainframe to enable State Board of Insurance to access the NAIC State Data Network;
- Development of an automated system for tracking assignments made to members of the Early Warning Management Group;
- Implementation of 63 percent of the recommendations made by consultants to improve the Early Warning system;
- Updated biographical files on company officers and directors;
- Implementation of procedures for formal assignment and review of companies on the *Early Warning Watch List*, a classification system for troubled companies, and criteria to remove companies from the list;
- Developmental work on an *Early Warning Procedures Manual* which was near completion at the end of Fiscal year 1990;
- Scheduled internal audit of Liquidation take-over procedures, including histories of companies placed in receivership;
- Participation in a feasibility study initiated by the State Auditor to explore the use of data envelopment analysis and logistic regression to identify potentially troubled companies. The project is being conducted in conjunction with two University of Texas professors and is scheduled for completion in Fiscal Year 1991.

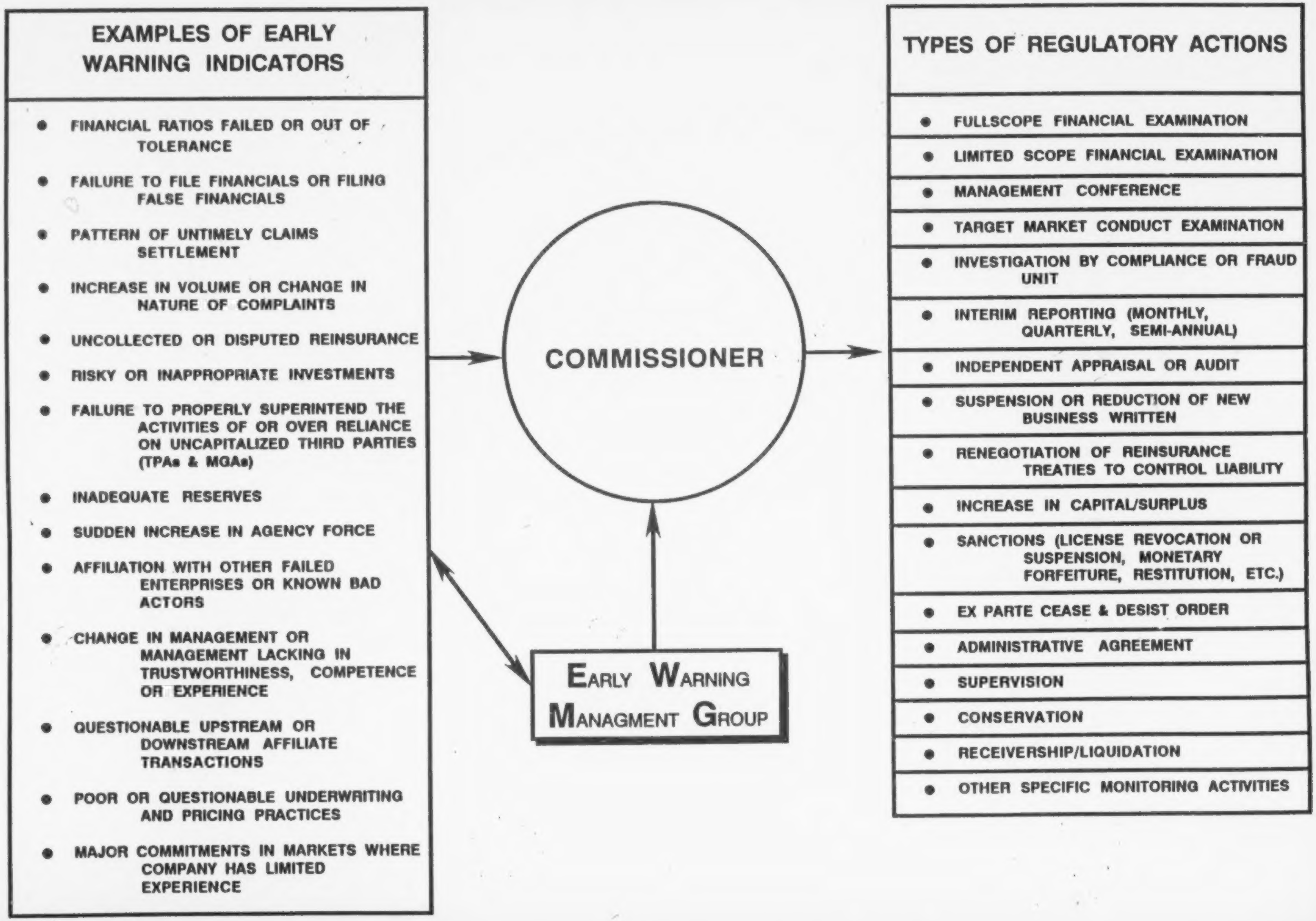
- Access to the new *Special Activities Database* (SAD) operated by the NAIC to allow states to exchange information on the activities of companies and individuals of regulatory concern, including persons who may be involved in fraudulent activities;
- Definition of early warning data requirements by all agency regulatory divisions, the first step in the development of an *Early Warning Information System* prototype. The prototype is scheduled for completion in January 1991; and
- Appointment by the Commissioner of an Enforcement Policy Committee (formerly Insurance Commissioner's Working Group) to formulate compliance and enforcement policies and priorities, to periodically review disciplinary orders and regulatory monitoring reports, and to serve as a clearinghouse for information submitted to the NAIC *Special Activities Database*.

Since a major component of Early Warning is through financial oversight, more information on agency Early Warning activities can be found in the narrative on the Financial Program later in this report.

# INFORMATION SOURCES
# FOR
# EARLY WARNING INFORMATION SYSTEM


NAIC
(SDH, RIRS, SAD)
FINANCIAL
FINANCIAL ANALYSIS UNIT
HOLDING COMPANY
FIELD EXAMINATIONS
REINSURANCE
ACTUARIAL
LICENSING
AGENTS
TPAs
MGAs
SURPLUS LINES
COMPANY
UNAUTHORIZED INSURANCE
COMPLIANCE
COMPLAINTS
MARKET CONDUCT FIELD EXAMINATIONS
LEGAL (FRAUD UNIT & INVESTIGATIONS)
ANALYSIS
ANALYSIS
ANALYSIS
EARLY WARNING INFORMATION SYSTEM
ANALYSIS
ANALYSIS
PRODUCTS & RATES
LIFE/HEALTH (POLICY APPROVAL)
STATISTICAL & RATE DEVELOPMENT
CASUALTY
PROPERTY
TAX (FIELD AUDITS & TAX RETURNS)
ANALYSIS
ANALYSIS
ANALYSIS
LIQUIDATION
CONSERVATION
OTHER STATE AND FEDERAL AGENCIES (EXAMPLE: TWCC)
– – OUTSIDE SOURCES
— SBI SOURCES

# EARLY WARNING SYSTEM



**EXAMPLES OF EARLY WARNING INDICATORS**

- FINANCIAL RATIOS FAILED OR OUT OF TOLERANCE
- FAILURE TO FILE FINANCIALS OR FILING FALSE FINANCIALS
- PATTERN OF UNTIMELY CLAIMS SETTLEMENT
- INCREASE IN VOLUME OR CHANGE IN NATURE OF COMPLAINTS
- UNCOLLECTED OR DISPUTED REINSURANCE
- RISKY OR INAPPROPRIATE INVESTMENTS
- FAILURE TO PROPERLY SUPERINTEND THE ACTIVITIES OF OR OVER RELIANCE ON UNCAPITALIZED THIRD PARTIES (TPAs & MGAs)
- INADEQUATE RESERVES
- SUDDEN INCREASE IN AGENCY FORCE
- AFFILIATION WITH OTHER FAILED ENTERPRISES OR KNOWN BAD ACTORS
- CHANGE IN MANAGEMENT OR MANAGEMENT LACKING IN TRUSTWORTHINESS, COMPETENCE OR EXPERIENCE
- QUESTIONABLE UPSTREAM OR DOWNSTREAM AFFILIATE TRANSACTIONS
- POOR OR QUESTIONABLE UNDERWRITING AND PRICING PRACTICES
- MAJOR COMMITMENTS IN MARKETS WHERE COMPANY HAS LIMITED EXPERIENCE

**COMMISSIONER**

**EARLY WARNING MANAGMENT GROUP**

**TYPES OF REGULATORY ACTIONS**

- FULLSCOPE FINANCIAL EXAMINATION
- LIMITED SCOPE FINANCIAL EXAMINATION
- MANAGEMENT CONFERENCE
- TARGET MARKET CONDUCT EXAMINATION
- INVESTIGATION BY COMPLIANCE OR FRAUD UNIT
- INTERIM REPORTING (MONTHLY, QUARTERLY, SEMI-ANNUAL)
- INDEPENDENT APPRAISAL OR AUDIT
- SUSPENSION OR REDUCTION OF NEW BUSINESS WRITTEN
- RENEGOTIATION OF REINSURANCE TREATIES TO CONTROL LIABILITY
- INCREASE IN CAPITAL/SURPLUS
- SANCTIONS (LICENSE REVOCATION OR SUSPENSION, MONETARY FORFEITURE, RESTITUTION, ETC.)
- EX PARTE CEASE & DESIST ORDER
- ADMINISTRATIVE AGREEMENT
- SUPERVISION
- CONSERVATION
- RECEIVERSHIP/LIQUIDATION
- OTHER SPECIFIC MONITORING ACTIVITIES

## LIQUIDATION

The Liquidator for the State Board of Insurance is designated by Article 21.28, *Texas Insurance Code,* to take charge of the assets of insurers placed in receivership by the district courts of Travis County. The Liquidator/Receiver of an insurance company placed in receivership is directed by law to "take such steps as may be necessary to conserve the assets and protect the rights of policyholders and claimants for the purpose of liquidating, rehabilitating, reinsuring, reorganizing or conserving the affairs of the insurer," subject to the direction of the court.

In addition, the Liquidator/Receiver is responsible for processing claims covered by the three Texas guaranty associations. These associations -- more commonly referred to as "guaranty funds" -- are:

- Texas Property and Casualty Insurance Guaranty Association (Article 21.28C, *Texas Insurance Code),*
- Texas Life, Accident, Health and Hospital Service Guaranty Association (Article 21.28D, *Texas Insurance Code),* and
- Texas Title Insurance Guaranty Association (Article 9.48, *Texas Insurance Code).*

These guaranty mechanisms are funded by assessments of existing premium-writing insurance companies. Assessments are made on an as-needed basis and are based upon estimates of claims liabilities which the guaranty association must fund during the ensuing 12 months. These assessments rose markedly during the period 1984-1989, as shown in the chart entitled *Texas Guaranty Fund Assessment (Chart 1)* Total assessments, property-casualty assessments and title assessments declined during Fiscal Year 1990, while assessments for the Life, Accident, Health and Hospital Service Guaranty Association continued to increase.

Nationally, insolvencies of insurance companies operating in two or more states continued a pattern in Calendar Year 1989 that began in the mid-1980s. In 1984, 19 multi-state insolvencies were recorded, and the number grew steadily, reaching 31 in 1988 and 44 in 1989. By comparison, the number of multi-state carriers placed in receivership between 1969 and 1983 (inclusive) averaged five per year.

The national trend of rising insolvencies also holds true for Texas. During the five-year period 1986-1990, a total of 100 licensed property-casualty and life-health insurance companies -- both domestic and foreign -- were placed in receivership by the district courts of Travis County. This five-year total compares with 70 licensed domestic and foreign companies placed in receivership during the preceding 15 years. The charts entitled *Total New Receiverships (FY 1940 - 1990) - Chart 2* and *Total New Receiverships (FY 1980 - 1990) - Chart 3* illustrate changes in the number of receiverships over 50-year and 10-year periods.

In Fiscal Year 1990, six domestic property-casualty companies, 12 domestic life-health companies, one domestic title underwriter, seven foreign property-casualty companies and five foreign life-health insurers were placed in receivership by Texas state district courts.

One unauthorized property and casualty insurer and a domestic insurance agency also were placed in receivership during Fiscal Year 1990. These represented no guaranty fund liability.

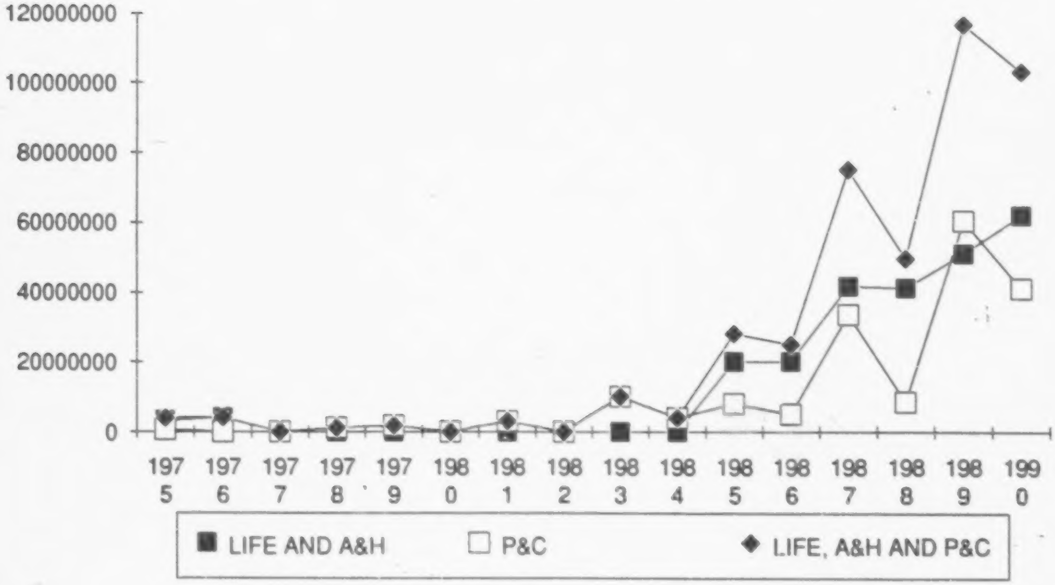
Although the number of licensed companies placed in receivership increased by 19 domestic and 12 foreign companies in Fiscal Year 1990, the average guaranty fund liability for new receivership estates declined. Guaranty fund exposure per new receivership averaged $5 million in Fiscal Year 1990, compared to an average of $9 million in Fiscal Year 1989. It should be noted, however, that the average guaranty fund liability per new receivership in 1985 was just over $2 million.

The trend of large high-risk -- or "substandard" -- automobile insurers dominating the insolvency totals subsided somewhat. A majority of the companies that failed in Fiscal Year 1990 were life, accident and health insurers.

The insolvency of Title USA in Fiscal Year 1990 resulted in the first assessment of title insurers to cover policyholder claim liabilities resulting from the failure of a title underwriter. Title USA was a major company domiciled in Texas and doing business in 16 other states and the District of Columbia.

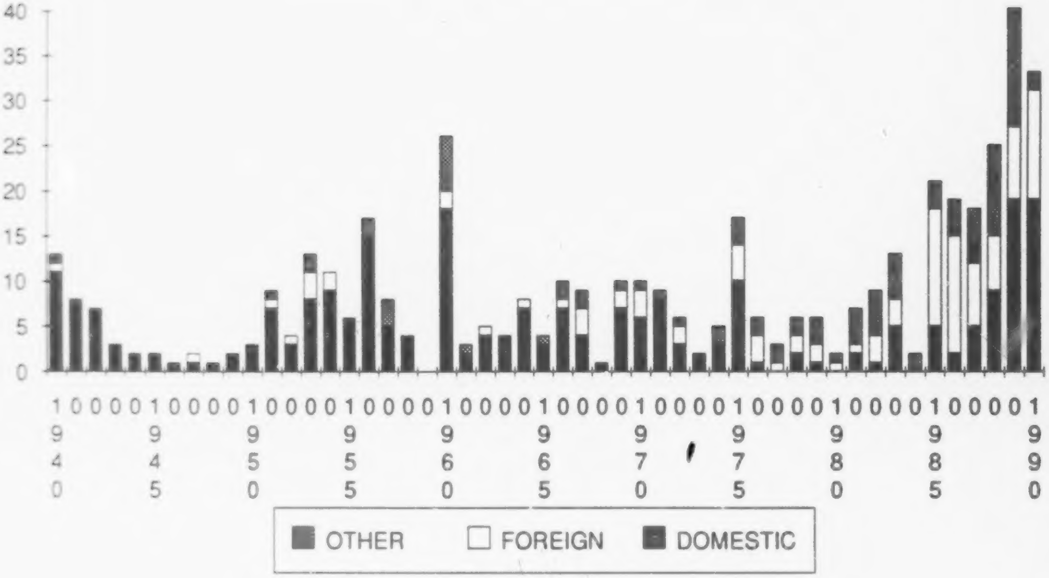
During the fiscal year, 28 receivership estates were liquidated and closed, leaving 162 active receiverships -- including both guaranty fund and non-guaranty fund entities -- still in the process of liquidation

Additional information and financial reports on active receiverships and the three guaranty funds are provided in Part III of this report.

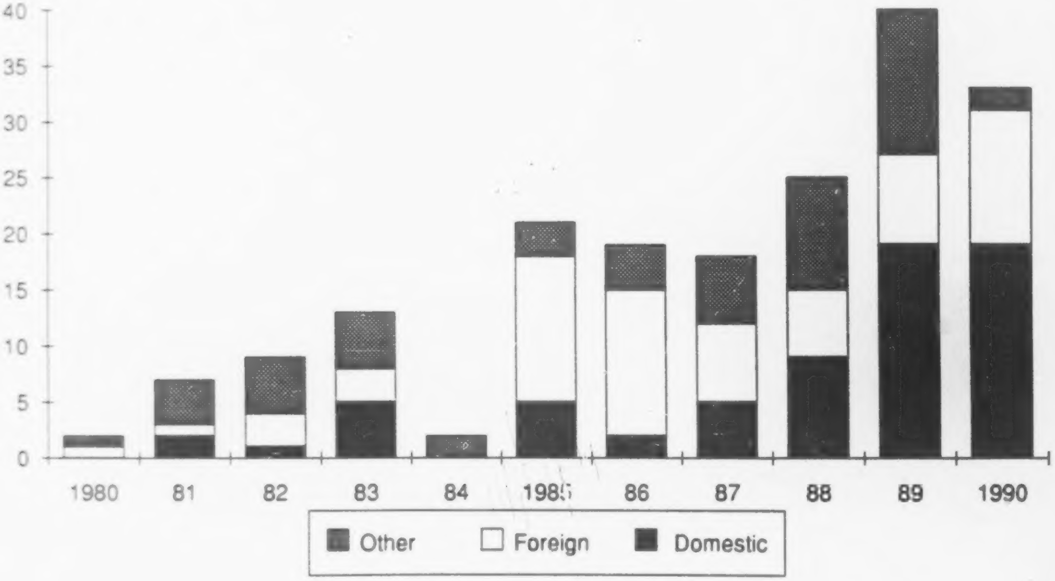


Texas Guaranty Fund Assessments (Chart 1)

Total New Receiverships (FY 1940 - 1990) - Chart 2



Total New Receiverships (FY 1980 - 1990) - Chart 3



## CONSERVATION OF COMPANIES

When an insurance company is determined to be in hazardous condition, the strongest administrative measures available to the Commissioner short of receivership are supervision and conservatorship. Both are provided as rehabilitative measures by Article 21.28-A, *Texas Insurance Code*, which contains the following expression of legislative intent: "The Legislature declares that it is a proper concern of this state and proper policy to attempt to correct or remedy insurer misconduct, ineptness or misfortune." The Legislature also declared in the same statute its intent to provide a means for attempting rehabilitation "without immediate resort to the harsher remedy of receivership."

During supervision, certain transactions must be approved by the appointed supervisor before the transactions are consummated. In a conservatorship, the conservator is commissioned to take charge and manage the company's operations.

At the beginning of Fiscal Year 1990, the Conservation of Companies Activity had 32 companies and insurance agencies under supervision or in conservatorship. An additional 31 entities were referred to Conservation during the fiscal year.

Of these 63 insurance entities:

- 20 were successfully rehabilitated,
- 20 were placed in receivership,
- 6 dissolved without going through receivership, and
- 17 remained in supervision or conservatorship at the close of the fiscal year.

**Figure 12. Summary of Activity - Insurance Entities in Supervision and Conservatorship**

| | FY 89 | FY 90 |
|---|---|---|
| Balance at Beginning of Fiscal Year | 33 | 32 |
| Referred to Conservation During Fiscal Year | 44 | 31 |
| Rehabilitated | 24 | 20 |
| In Receivership | 21 | 20 |
| Dissolved | 5 | 6 |
| Balance at End of Fiscal Year | 32 | 17 |

During Fiscal Year 1990, the Conservator's legal staff prepared and obtained approval of 242 administrative and judicial orders. In addition, the Conservator's legal staff participated in 152 administrative and judicial hearings.

New time constraints enacted by S.B. 255, *Acts of the 71st Legislature* took effect at the beginning of Fiscal Year 1990. These provisions limit supervisions to 60 days, with one 30-day extension if the Commissioner determines there is a substantial likelihood of rehabilitation. Conservatorships are limited to 90 days, with the possibility of up to six 30-day extensions (totaling 180 days) when the Commissioner determines that the likelihood of rehabilitation is substantial. In addition, S.B. 255 requires publication of notice in daily newspapers in counties with 100,000 or more people whenever a company is placed in conservatorship.

Due to these limitations and requirements, the staff of Conservation of Companies has found it necessary to place more concentrated efforts and more personnel on each supervision and conservatorship. In addition, Conservation of Companies has developed procedures incorporating checklists of functions and responsibilities to be performed to assure consistent application and to prevent oversights or omissions.

Greater effort is being concentrated on obtaining new or replacement coverage with solvent insurance companies for policyholders of some insurers in supervision or conservatorship. The purpose is to assure continuity of coverage and benefits for the consumer. Guaranty funds participated in the funding of these "reinsurance" or "assumption" agreements. This is a departure from past practice; historically, guaranty fund participation in the financing of such arrangements was limited to companies in receivership.

## INTERNAL AUDIT

The Internal Audit Activity was established in Fiscal Year 1988 as a continuing means for improving agency management and accountability. Internal Audit performs this function by examining and evaluating the adequacy and effectiveness of internal controls established by agency management.

During Fiscal Year 1990, the Board revised Internal Audit's reporting channels to strengthen its independence and accountability. Previously, the Internal Auditor had reported to the Commissioner and, through the Commissioner, to the Board. The change adopted in Fiscal Year 1990 requires the Internal Auditor to submit findings directly to the Board.

Internal Audit performs three different primary kinds of inquiries:

- Audits scheduled in accordance with an annual audit plan, with priorities based on the degree of risk to the public involved in the work of various activities and functions of the agency.
- Specially assigned audits.
- Internal investigations performed in response to allegations of irregularities or misconduct within the agency.

During Fiscal Year 1990, Internal Audit completed nine scheduled audits and 11 specially assigned audits and issued 19 reports. In addition, it eliminated a backlog of internal investigations that had developed in Fiscal Year 1989.

Among the projects completed during the fiscal year were:

- An operational audit of the Texas Workers' Compensation Assigned Risk Pool.
- Electronic data processing audits of computer operations, data security and disaster recovery.
- An interim report on a case study of American Pacer Insurance Company as part of the review of Liquidation Division takeover procedures.

## HEARINGS

The Hearings Activity conducts hearings for the Commissioner and the State Fire Marshal in all contested cases filed under the *Administrative Procedure and Texas Register Act*, as well as in certain cases for the Board.

During the Fiscal Year 1990, the activity increased the number of hearings held by about three percent.

All hearings are electronically recorded. Hearings reporters stenographically reported and transcribed 151 Commissioner's hearings and 95 Board hearings. In all, 21,845 pages of testimony were transcribed, a 5.6 percent increase over Fiscal Year 1989.

As a result of the agency's increased enforcement efforts, 71.7 percent of the Commissioner's hearings convened during the fiscal year were on disciplinary cases -- including questioned applications for agent licenses, up from 66.5 percent in Fiscal Year 1989.

The Hearings Activity maintains docket sheets and case files, including all exhibits introduced at the hearings, for each case heard. Cross indexes provide access to information on each case. Transcripts also are filed and are available for inspection by the public.

**Figure 13. Summary of Activity - Hearings**

| | FY 89 | FY 90 |
|---|---|---|
| Hearings Conducted for the Commissioner | 1,137 | 1,217 |
| Hearings Conducted for the Board | 122 | 95 |
| Hearings Conducted for the Fire Marshal | 17 | 0 |
| Total Hearings Conducted | 1,276 | 1,312 |
| Commissioner's Hearings Transcribed | 159 | 151 |
| Board Hearings Transcribed | 71 | 95 |
| Fire Marshal's Hearings Transcribed | 17 | 0 |
| Pages Transcribed | 20,688 | 21,845 |

Figure 14. Commissioner's Hearings by Type - Fiscal Year 1990

| | FY 89 | FY 90 |
|---|---|---|
| Disciplinary | 621 | 726 |
| License Applications | 135 | 146 |
| Applications for Certificates of Authority | 73 | 24 |
| Charter Amendments | 77 | 70 |
| Acquisitions | 63 | 115 |
| Merger and Reinsurance | 41 | 42 |
| Application for Exempt Filing | 10 | 9 |
| Supervision | 102 | 74 |
| Applications by Corporate Agents | 0 | |
| to Withdraw Statutory Deposits | 0 | 5 |
| Grievances | 15 | 6 |
| TOTAL | 1,137 | 1,217 |

# ADMINISTRATIVE SERVICES

All administrative functions of the agency were regrouped during Fiscal Year 1990 under the Administrative Services Program. These functions, which support all other agency programs, are organized into four areas: Budget and Planning, Human Resources, Information Resources, and Operations.

## BUDGET & PLANNING

The Budget & Planning Activity in Fiscal Year 1990 focused on implementing internal controls. The Budget & Planning staff trained almost 300 State Board of Insurance employees in the budget certification process, strategic planning concepts, writing objectives, and preparing appropriations requests.

### Budget

The Budget Division prepares the biennial *Legislative Appropriations Request* and semiannual *Performance and Fund Management Report* required by the Legislative Budget Board and Governor's Budget Office. The division also develops the agency *Annual Operating Budget*, monitors monthly agency expenditures, and develops projections to assist in agency fiscal planning and financial forecasting

The most important internal budget control established in Fiscal Year 1990 was to route all personnel actions and purchase requisitions through the Budget office. Staff verified that funds were available before personnel actions and requisitions were sent to Personnel or Purchasing.

### Planning

The Planning Division provides support for the agency-wide planning effort initiated in 1989. In addition to tracking and reporting on implementation of the agencywide strategic plans for Fiscal Years 1990-1991, this division coordinated agency efforts in developing a plan for Fiscal Years 1992-1993. Agency senior managers, working together as an Executive Management Team, wrote a mission statement, goals, and objectives as the preliminary step in developing the *Legislative Appropriations Request* for Fiscal Years 1992-1993.

The 1990-1991 plan identified nine goals and more than 500 objectives for the State Board of Insurance. The plan for the next biennium *(State Board of Insurance Strategic Plan for Fiscal Years 1992-1993)* sets out five goals and 273 objectives under a revised mission statement.

Planning also coordinated two other agency-wide projects. Staff compiled a data base of all 220 recommendations included in eight different studies of the agency conducted in the spring of 1989 and prepared two progress reports. Also, the Planning Division coordinated development of procedures manuals for every activity and provided standard formats, writing tips, and training. When the project is completed, about 75 different manuals will have been written about agency regulatory and administrative functions.

## HUMAN RESOURCES

The Human Resources Activity consists of the Employee Relations, Human Resources Planning, Staff Development, and Personnel divisions. By combining these functions, Human Resources provides improved coordination to meet agency needs in hiring and training.

### *Employee Relations*

The Employee Relations Division receives and investigates all employee complaints alleging discrimination on the basis of race, color, sex, religion, age, national origin, or disability status. Employee Relations seeks to resolve in a prompt and appropriate way any violation of state or federal fair employment laws. In addition, the division counsels supervisors and managers to avoid or reduce the number of complaints filed.

Employee Relations maintains current statistics on all State Board of Insurance employees based on race, color, religion, national origin, sex, age and disability status and compares the statistics to the available state workforce. The division assists in the recruitment of minorities and women for positions available at the agency.

In addition, the Employee Relations Division provides Equal Employment Opportunity training throughout the year to both management and staff. When necessary, the division provides specialized fair employment law training in areas where a complaint indicates that either managers or employees do not understand the laws.

Employee Relations assists the employee's Wellness Committee and Women's Committee in planning and implementing their goals and activities and coordinates agencywide projects involving community activities such as Adopt-A-School, United Way, and the American Heart Association.

Employee Relations also conducts periodic employee attitude surveys to identify and improve the quality of work life for employees. The results of the first survey were published with the assistance of the School of Social Work, University of Texas at Austin. More than 600 agency employees returned survey forms, and the results were published in a document titled *Employee Attitude Survey of Texas State Personnel Practices: State Board of Insurance - Fall 1989 Survey.*

### *Human Resources Planning*

The creation of a separate Human Resources Planning Division was one of the most important organizational changes in agency human resources management during Fiscal Year 1990.

Human Resources Planning is responsible for (1) establishing a method of forecasting manpower needs based on anticipated growth, changing technology, or organizational changes; (2) developing and maintaining an integrated human resources information system that will provide timely, accurate, and relevant information to support informed decision making; and (3) developing a process for a comprehensive agency-wide study of job requirements, job descriptions, position classification, and employee compensation. The development of an objective evaluation system will be a major part of this study.

The Human Resources Planning Division organized a Job Analysis Steering Committee and sub-committees to analyze and recommend approval for a Job Analysis Program to be conducted by an outside consultant.

Also, Human Resources Planning obtained bids from outside vendors to develop a Human Resources Information System (HRIS) to forecast the agency's recruitment and placement needs and to provide information to maximize the quality of management's decisions. The staff will monitor the HRIS successful bidder in implementing the contract and assist in computer program designs to ensure the final product meets agency needs.

### *Staff Development*

Staff Development is responsible for initiating and coordinating appropriate training programs to assure that staff of the State Board of Insurance have the knowledge and skills necessary to perform their tasks. A variety of learning experiences, including in-house seminars, computer training, national accreditation programs, and college and university courses, are made available to agency employees.

During Fiscal Year 1990, Staff Development increased the emphasis on management training, insurance courses, and in-house instruction. Examples of this emphasis can be seen in the ten-fold increase in participation at programs offered by the Governor's Center for Management Development (GCMD - formerly known as the Texas State Management Development Center) and a 13 percent increase in the programs offered through the Life Office Management Association ( a professional insurance credential program). The Staff Development Division also has developed a first-line supervising management class that will improve leadership, problem solving, and personnel management.

This fiscal year had several other "firsts". Division staff offered monthly in-house management training classes and agency personnel taught Chartered Property Casualty Underwriter (CPCU) course. When the *Personnel Manual* was re-edited and distributed to all employees, the division worked closely with Personnel to train managers and provide orientation sessions to employees on the manual's policies and procedures.

The division also began developing individual professional growth plans for State Board of Insurance employees and maintains a record or registry for each trainee to insure professional growth and planned training participation.

### *Personnel*

The Personnel Division is responsible for providing human resources to meet staffing needs of the agency.

This division made significant improvements during Fiscal Year 1990. More than 474 new jobs or vacancies were posted. They resulted in 100 employment applications per day, on average. Additionally, the division processed 77,630 employee record transactions, such as time cards and performance evaluations.

The Personnel Division implemented a position control system for identifying vacant, filled, part-time, or frozen positions. The division also published and distributed a new *Personnel Manual* to all State Board of Insurance employees.

Finally, a satellite office at Board offices in Republic Plaza was established to serve the needs of applicants and employees.

## INFORMATION RESOURCES

The Information Resources Activity of the State Board of Insurance is the center of the agency's automation efforts. It coordinates the strategic planning process through the Department of Information Resources, develops applications, trains, consults, evaluates vendor products and maintains the agency mainframe and support systems.

Automation goals are:

- To utilize automation fully, cost-effectively and productively;
- To make information available across the agency;
- To manage the information resources to serve the agency and thereby serve the public; and
- To make the State Board of Insurance truly an information organization.

The major accomplishments in Fiscal Year 1990 include the following:

- Implemented automatic logoff of idle users from the mainframe, reclaiming mainframe capacity and protecting data security;
- Updated mainframe operating system in preparation for the new mainframe;
- Purchased and installed 440 microcomputers for desktop operation and provided orientation training to users;
- Planned and began installation on both Wide Area and Local Area Networks;
- Installed and implemented a capacity planning function for mainframe computer planning;
- Established a data administration function to support an agencywide database;
- Reorganized information resources functions with input through a Senior Agency Management Advisory Group;
- Selected and installed a systems development methodology, providing control, tracking, and accountability for information resources projects;
- Installed link to the National Association of Insurance Commissioners (NAIC) computer, allowing direct access to the NAIC database and electronic communication with other states;
- Redesigned agency's Company License System to include automation of information on Third-Party Administrators;
- Continued to expand coverage of the workers' compensation reporting procedures to allow company submission of reports on tapes. Nine companies submitted 34,399 reports electronically in Fiscal Year 1990, compared to 15,000 in Fiscal Year 1989.
- Completed conceptual system design and began development work on data support systems necessary to implement portions of S.B. 1, *Acts of the 71st Legislature, 2nd Called Session*.
- Began development with the Financial Program of an application to determine priority order of insurance companies based on solvency criteria for Life and Property/Casualty companies;
- Provided support to field examiners in the Financial Program for performing examination of insurance carrier data submitted on magnetic tape;

- Improved computer support to the Board's rate setting function by providing capability of producing additional expense exhibits; and
- Continued progress in implementing a document imaging system for the Casualty Group for electronic storage and retrieval of document images.

## OPERATIONS

The Operations Activity focused in Fiscal Year 1990 on establishing internal controls and improving service. Operations is composed of the Accounting and Tax Collection Division and the Staff Services Division.

### *Accounting And Tax Collection*

As the name indicates, the primary functions of this division relate to bookkeeping and accounting services and collection of insurance-related taxes and certain fees. Both Accounting and Tax Collection provided staff support for the Industry-Staff Advisory Committee on Maintenance Taxes and Fees, appointed by the Board on March 15, 1990, to review the agency's operation and budget, and make recommendations on funding and cost allocation. *(Board Order 56056)*

**Accounting:** The Accounting Section processes and/or maintains all financial transactions and records for the agency through adherence to applicable statutes, regulations, and state guidelines. Fiscal year achievements included:

- Work on a new method to allocate more agency operational costs directly to specific lines of insurance, as a result of recommendations of the Industry-Staff Advisory Committee on Maintenance Taxes and Fees;
- Final implementation of a lockbox system for processing licensing fees;
- Implementation of same-day deposit of large cash receipts totaling $48,927,056.28, producing increased interest income estimated to be in excess of $11,000;
- Initiation of electronic funds transfer for receipts, which totaled $23,219,437 and resulted in additional interest income; and
- Serving as a "pilot agency" for the Uniform Statewide Accounting System that the Comptroller is implementing.

**Tax Collection:** This division administers and collects all premium taxes, maintenance taxes, surtaxes, retaliatory taxes, assessments, and certain fees such as valuation and annual statement filing fees. Additionally, staff audits tax returns and company allocations of investments among states. This allocation determines a company's tax rate and tax liability. Tax Collection also calculates quarterly and annual tax returns, reconciles quarterly tax prepayments, allocates tax payments to the appropriate funds, extends and monitors certain tax credits and offsets (such as examination expenses and guaranty fund assessments), and processes refunds for overpayment of taxes. In addition, the division initiates protest payments and maintains records of them, works with companies to reconcile discrepancies between tax returns and amounts paid, provides protest tax information and technical support to staff attorneys and representatives of the Office of the Attorney General in tax-related lawsuits and other matters, and coordinates the exchange of tax information with other states.

Six tax examiners in Tax Collection audit, examine, and analyze tax returns and tax records of insurers in the carriers' offices to ascertain that the taxes, surtaxes, retalatory taxes, and maintenance taxes due the state have been correctly reported, calculated and paid. In Fiscal Year 1990, the examiners' audits resulted in the collection of an additional $5 million in tax revenues for the state.

Tax, fee, and assessment statutes under the jurisdiction of this division are:

1. Article 4.10, *Texas Insurance Code:* Gross premium taxes paid by property/casualty insurers. Taxes are collected on a quarterly basis with balances due with annual tax returns. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

2. Article 4.11, *Texas Insurance Code:* Gross premium taxes paid by life, accident and health insurers. Taxes are collected on a quarterly basis with balances due with annual tax returns. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

3. Article 9.59, *Texas Insurance Code:* Gross premium taxes paid by title insurers. Taxes are collected on a quarterly basis with balances due with annual tax returns. Collections from this tax are deposited in Fund 001, the General Revenue Fund for the State of Texas.

4. Article 20A.33, *Texas Insurance Code:* Taxes on the gross amount of revenues collected for issuance of health maintenance certificates or contracts issued by health maintenance organizations. Taxes are collected in accordance with Article 4.11, *Texas Insurance Code*. Collection from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

5. Article 4.11A, *Texas Insurance Code:* Administrative Services Tax on each insurance carrier or person that receives any form of administrative or service fee, consideration, payment, premium fund, reimbursement, or compensation for performing or providing any service, function, or duty; or acting in any administrative, clerical, management, advisory, or technical capacity; or providing any claims or expense review, service administration, management, payment, indemnification or reimbursement with respect to a plan, whether under an administrative services contract to be performed in Texas or on behalf of persons located in Texas or for risk in Texas. The tax is subject to certain limitations, exemptions and exclusions. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

6. Surtax: Articles 4.10 and 4.11, *Texas Insurance Code* were amended by H.B. 61, *Acts of the 70th Legislature, 2nd Called Session* to add a temporary two-year 20 percent surtax to property/casualty and life insurance gross premiums taxes already being collected. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

7. Article 21.46, *Texas Insurance Code:* Retaliatory taxes and fees filed with the tax returns of foreign or alien companies licensed to do business in Texas. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

8. Article 1.14-1, *Texas Insurance Code:* This statute provides for the collection of unauthorized and independently procured insurance taxes and surtaxes from persons who acquire insurance directly from a carrier not licensed to do business in this state. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

9. Article 1.14-2, *Texas Insurance Code:* This statute provides for the collection of taxes and surtaxes on business exported under the state surplus lines statute. Surplus lines agents are responsible for filing these taxes with the Board. Collections from this tax are deposited to Fund 001, the General Revenue Fund for the State of Texas.

10. Article 21.54, *Texas Insurance Code:* Establishes taxes to be collected on the gross premiums of risk retention groups and purchasing groups. Premium tax revenues under this statute are deposited to Fund 001, the General Revenue Fund for the State of Texas.

11. Maintenance Taxes & Fees for the State Board of Insurance: Eight separate taxes are established to support the operation of the Board (Articles 4.17, 5.12, 5.24, 5.49, 5.68, 9.46, 20A.33, 21.07-6 and 23.08, *Texas Insurance Code).* Historically, maintenance taxes to support State Board of Insurance operations were levied on gross premiums of property/casualty insurers. However, H.B. 2022, *Acts of the 70th Legislature*, added maintenance taxes on gross premiums of life, accident and health insurance coverages, and the gross considerations of annuity and endowment contracts and established a "per capita" maintenance tax on gross revenues for issuance of health maintenance certificates or contracts. Maintenance taxes are deposited into Operating Fund 036 to support agency operations.

12. Maintenance Taxes for the Texas Workers' Compensation Commission: S.B. 1, *Acts of the 71st Legislature, 2nd Called Session* provided for a continuation of the assessment on gross workers' compensation premiums for the support of the Texas Workers' Compensation Commission (formerly Industrial Accident Board). Authority for this assessment previously resided in Article 8306, *V.T.C.S.* Further, S.B. 1 implemented an additional assessment on the gross premiums of workers' compensation insurers for the support of the Texas Workers' Compensation Research Center.

13. Filing Fees: Certain statutory filing fees are enumerated and remitted with annual tax returns. Maximum fees are found in Articles 4.07 and 20A.32, *Texas Insurance Code* and are deposited in the State Board of Insurance Operating Fund 036 for support of agency operations.

14. Article 1.35B, *Texas Insurance Code:* This statute imposes an assessment for the Division of Consumer Protection. The assessment of 5.7 cents for each property/casualty insurance policy in force at the end of the year is remitted with annual tax returns. It is deposited in a special account of the General Revenue Fund to support the operations of the Consumer Protection Division.

During Fiscal Year 1990, the Tax Collection Division processed numerous refunds in settlement of lawsuits pending against the State. These included certain gross premium taxes collected under Articles 4.10 and 4.11 *Texas Insurance Code* and certain retaliatory taxes collected under Article 21.46, *Texas Insurance Code*. Additional refunds were pending at the end of the year for maintenance taxes collected under Article 21.07-5, *Texas Insurance Code*, which was found to be unconstitutional in *State Board of Insurance et al v. National Employee Benefit Administration, Inc., et al.* Also pending were refunds of Administrative Services Taxes collected from certain plaintiffs in the *Birdsong, et al v. Wrotenbery, et al* (901F.2d-1270) lawsuit. As of fiscal year end, $329 million in taxes remained in protest for all tax years. Additional information on premium taxes and other revenues collected can be found in Part V of this report.

**Figure 15. Comparison of Active Maintenance Tax Rates by Percentage for FY 1983 - 1990**

| Description | Max. Rate Permitted | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|---|---|---|---|---|---|---|---|---|---|
| Motor Vehicle Ins. | .2 | .027 | .029 | .024 | .028 | .019 | .058 | .067 | .113 |
| Fire Ins. | 1.25 | .357 | .478 | .458 | .463 | .523 | .406 | .729 | .711 |
| Workers' Comp. Ins. | .6 | .168 | .259 | .229 | .303 | .361 | .180 | .163 | .467 |
| Casualty Ins. | .4 | .108 | .152 | .075 | .068 | .027 | .207 | .343 | .318 |
| Title Ins. | 1.0 | .039 | .061 | .020 | .033 | .083 | .122 | .156 | .464 |
| Life Ins., A & H | .04 | --- | --- | --- | --- | --- | .032 | .032 | .040 |
| Third-Party Admin. | 1.0 | --- | --- | --- | --- | --- | 1.0 | 1.0 | 1.0 |
| HMO | *$2.00 | --- | --- | --- | --- | --- | *$1.10 | *$.98 | *$1.21 |
| Prepaid Legal | 1.0 | --- | --- | --- | --- | --- | --- | --- | --- |

** Per Enrollee For Multi-Service ($0.60 for Single Service in Fiscal Year 1990)*

**Figure 16. Schedule of SBI Maintenance Tax Revenues 1989 - 1990**

| Maintenance Tax | 1989 * Revenue | 1990 ** Revenue |
|---|---|---|
| Motor Vehicle Ins. | $ 3,506,317 | $ 7,217,196 |
| Fire Ins. | 19,940,993 | 19,445,703 |
| Workers' Comp Ins. | 4,657,895 | 15,621,156 |
| Casualty Ins. | 7,756,653 | 6,221,057 |
| Title Ins. | 475,533 | 1,441,992 |
| Life Ins., A & H | 3,437,507 | 4,414,083 |
| Third-Party Admin. | 561,055 | 1,049,466 |
| HMO | 1,272,010 | 1,737,040 |
| TOTALS | $41,607,963 | $57,147,693 |

** Includes Calendar Year 1989*
*** Includes January 1, 1990 through November 15, 1990.*

### *Staff Services*

The Staff Services Division provides day-to-day support services for the agency in areas of purchasing, supply, maintenance, warehouse, reproduction of forms and manuals, mail distribution, micrographics, and publications distribution.

Fiscal year achievements included:

- Compiling existing agency policies for travel, purchasing, equipment and supplies, and communications into one *Operations Manual* for use by all employees;
- Improving the quality of printed materials by establishing reproduction procedures, training agency staff, providing desk-top publishing services, and upgrading printing equipment;

- Reducing the number of calls lost in the main switchboard queue from 300 to less than 40 per day;
- Expediting mail service by establishing and requiring mail codes on all correspondence;
- Training agency staff in proper purchasing procedures;
- Developing a tentative agencywide records retention schedule;
- Contracting for a recycling program; and
- Purchasing and initiating renovation of a new 25,602 square foot agency warehouse at 7915 Cameron Road in Austin.

# REGULATED LINES AND LICENSING

Clearly, one of the largest and most visible programs in the agency is the group of functions that fall under the umbrella called Regulated Lines and Licensing. This program, which is home to about one-third of the employees of the agency, has front-line jurisdiction for most of the statutory filings processed by the Board, from annuity policies to automobile consent-to-rate forms. The types of licensees are as diverse as retirement communities and corporate risk managers and the responsibilities as varied as amusement ride inspections and audits of premium finance companies.

## LIFE GROUP

The major objective of the Life Group is to assure that life and health products that are marketed by entities licensed in Texas, comply with statutes enacted by the Legislature and rules adopted by the Board. To assure compliance, the Life Group handles the review and analysis of new and revised product "forms" such as policies, riders, endorsements and applications which provide life insurance; accident and health insurance; annuities; and credit life, accident and health insurance. These forms may provide coverage under a group or an individual insurance contract and may consist of policies, certificates, riders, applications, amendments and endorsements.

The Life Group also handles numerous inquiries for information and requests for assistance by consumers, the insurance industry, legislators, and others regarding insurance laws and rules applicable to the various life, health, and annuity products offered by licensed entities in Texas.

Another function of the activity includes participation in a number of committees and/or working groups. This participation may result in drafting and proposing rules necessary to implement new and revised statutes enacted by the Legislature and necessary to help assure that new products provide fair and reasonable benefits within the statutory framework. Rules also may be drafted and proposed to accommodate new products and/or to rectify problems occurring with products in the marketplace.

Other functions of the Life Group include:

- maintaining permanent records of all forms filed and all formal actions taken with respect to those forms;
- providing support through various computer programs and applications for the various functions within the activity;
- providing legal and actuarial support for the activity; and
- providing support for the collection and compilation of statistical data for use in various reports.

There are five divisions in the Life Group. Four divisions specialize in the technical review and analysis of product forms filed for use in Texas by licensed entities. These four divisions are: (1) Individual Accident and Health Insurance; (2) Individual Life Insurance and Annuities; (3) Group Life and Group Accident and Health Insurance; and (4) Credit Life, Accident, and Health Insurance. Technicians in each of these divisions handle the technical review and analysis process which, in part, includes the following:

- assuring that forms contain required provisions, meet minimum standards, and do not contain provisions which are prohibited, unjust or deceptive;
- calculating values to assure that the method and basis used is appropriate and accurate for the benefits provided;
- handling any necessary actuarial review to assure that values and benefits meet minimum requirements;
- reviewing rates, as necessary, for compliance with statutes and rules applicable to credit life and credit disability; and
- reviewing the composition of any "group" to assure that the group is an eligible group according to statute.

After completion of the process, technicians may approve or disapprove the form or may notify companies of compliance problems necessitating corrections. When necessary, technicians participate in meetings and conferences to advise insurers in making changes necessary to bring their form into compliance.

The fifth division, Information Systems, provides support for the Life Group Activity by developing, maintaining, updating and documenting various computer applications, programs, and systems (either mainframe or micro-computer-based) used daily by this activity in performing the review and analysis of forms; maintaining Life Group records for permanent retention; providing data entry and programs for use in collecting and compiling statistical data collected by the group; and training staff.

The Life Group participated in a number of other activities in Fiscal Year 1990, including the following:

- Participated in the committee established to formulate standards for use by insurers, other third-party reimbursement sources, and chemical dependency treatment centers for reasonable control of costs for inpatient and outpatient treatment of chemical dependency. Rules were drafted and accepted by the Board and are awaiting final approval by the Texas Commission on Alcohol and Drug Abuse. These rules were developed to implement S.B. 911, *Acts of the 71st Legislature*, which amend Article 3.51-9, *Texas Insurance Code*.
- Participated in the committee established to develop a *Plan of Operation* for the Texas Health Insurance Risk Pool and to make recommendations regarding benefits to be provided under health insurance contracts to be issued by the pool, to insure high high risk individuals who are otherwise unable to obtain health insurance in Texas. The pool was created by the 71st Legislature (Article 3.77, *Texas Insurance Code.)*
- Directed and participated in the advisory committee established by Board Order 54355, dated April 25, 1989, to develop new guidelines to address group health insurance rating practices for fully-insured Multiple Employer Trusts and Association Trust Plans and to draft rules to address the various rating concepts and methods used in group accident and health coverage, to help assure fairness and equity. Rules were drafted and are expected to be proposed for adoption in Fiscal Year 1991.
- Developed and proposed a number of new and/or revised Medicare supplement rules to continue implementation of Article 3.74, *Texas Insurance Code*, as amended by H.B. 116, *Acts of the 71st Legislature,* and to ensure state compliance with federal minimum standards subsequent to the

*Medicare Catastrophic Coverage Repeal Act of 1989*. All proposed rules were adopted and are in effect with the exception of the rules proposed in late August 1990. These latest rules were adopted to be effective on December 1, 1990, and were designed to enhance protection of senior citizens in the purchase of Medicare supplement coverage, to provide those consumers a more straightforward means of comparison shopping, to warn against and discourage unnecessary replacement and/or duplicate sales of Medicare supplement coverage, and to ensure that Texas Medicare supplement coverages comply with federal minimum standards.

- Drafted and proposed new and revised rules for Long Term Care policies. (*Texas Administrative Code*, Part I, Title 28, Sections 3.3801-3.3812 and Sections 3.3812-3, Subchapter Y.)
- Drafted and proposed revised rules to enable insurers to provide a new type of accelerated prepayment benefit under life insurance contracts. The accelerated benefit generally provides for prepayment of all or part of the death benefit under a life insurance contract when the insured is diagnosed as terminally ill, diagnosed with a certain specified disease, or is confined in a long term care facility. The proposed rules were adopted in Fiscal Year 1990 to enable insurers to offer this new version of accelerated benefit. (*Texas Administrative Code* Part I, Title 28, Section 3.129, Subchapter B).
- Conducted statistical studies and collected data involving Medicare supplement insurance and credit life and disability insurance.
- Established a committee within the Life Group to develop a plan for automating and streamlining the work handled by the Life Group. The plan was completed and will be implemented once the data base and the Local Area Network (LAN) equipment is installed.
- Participated in many meetings with the Banking Department with regard to pre-paid funeral contracts and problems associated with those contracts when funded by insurance products. Also participated in meetings with the Funeral Commission and the Banking Department to develop a brochure explaining pre-paid funeral contracts, the funding mechanisms, and the involvement of insurance products in funding those contracts.
- Participated in committees concerned with Senior Issues and Insurance Needs of Older Texans.
- Completed preliminary work on development of a survey form for use in collecting data and information relating to the effect of HIV and AIDS on the availability and adequacy of and affordability of premiums charges for medical reimbursement and health insurance coverage in Texas Texas. Rules to adopt the survey form for use by the State Board of Insurance in collecting the data and information were proposed. (Article 1.24C, *Texas Insurance Code.)*

The chart, *Summary of Activity - Policy Form Review*, provides the number of forms filed with the Life Group along with the number of forms on which actions were taken, with these numbers categorized by type of action. The numbers in the chart exclude the number of riders, applications, amendments and endorsements which are attached to most individual life and annuity policy forms. The numbers in the chart are solely a quantitative measure of the workload in the activity and do not reflect any qualitative measurement, such as the legal and/or actuarial complexity of the workload.

**Figure 17. Summary of Activity - Policy Form Review**

| | FY 89* | FY 90 |
|---|---|---|
| Forms Filed | 30,815 | 26,230 |
| Forms Accepted | 27,216 | 24,150 |
| Forms Approved | 15,493 | 10,002 |
| Forms Disapproved | 1,972 | 1,369 |
| Forms Exempt | 9,901 | 11,050 |

**Revised*

The number of forms disapproved has decreased due to fewer formal disapprovals and increased use of notification permitting insurers to submit corrections. Corrections submitted may then allow approval of the form initially filed, thereby reducing the overall number of form filings submitted. Corrections are not counted as form filings. It should be noted as well that in previous fiscal years, the number of forms filed and accepted in this activity included advertising filings. The Advertising Division was reassigned to the Market Conduct Activity, so the number of forms handled in Fiscal Year 1990 is reduced due to advertising filings not being included.

Because the public demands a large variety of life and health products and insurers need to be able to bring new products into the marketplace quickly in response to changing conditions and/or competitive forces, the Life Group is committed to timeliness in form review and to assuring that products are in compliance with applicable statutes and rules. The chart, *Average Length of Time for Form Review*, reflects the number of days a particular form is actually in the hands of Life Group employees, the only period which can be measured by the activity. The Life Group continually is seeking ways to expedite processing time without sacrificing the quality of the review and analysis process.

**Figure 18. Average Length of Time for Form Review****

| | FY 88 | FY 89 | FY 90 |
|---|---|---|---|
| Individual Life | 34 days | 28 days | 27 days |
| Group Life and A & H | 38 days | 29 days | 43 days |
| Individual A & H | 21 days | 21 days | 26 days |
| Credit Life Accident and Health | 15 days | 17 days | 12 days |
| Average Length of Time (All Divisions) | 27 days | 23.75 days | 27 days |

*** Reflects time frame from receipt of form in Life Group to time of approval, disapproval, or other action taken on forms.*

## PROPERTY

The Property Activity is responsible for the regulation of all property insurance sold in Texas. Functions of this activity are designed to assure continued effective fire protection, accurate and fair property insurance rates, effective wind codes for property along the coast, and availability of reasonable and comprehensive property insurance policies.

During Fiscal Year 1990, this activity focused on enhancing the services it provides. For example, to insure the availability of an adequate inspection force at all times, cross-training was provided to staff. The activity also increased its use of computers to provide more efficient response to inquiries.

One of the most far-reaching consumer efforts of the activity involved the re-writing of the *Texas Homeowners Policy*. Staff worked with a Board-appointed advisory committee to draft a new readable homeowners policy, as well as policies for tenants and condominium owners. The new policies are shorter and easier-to-read with fewer words and shorter sentences. The policies were approved by the Board with an effective date of October 1, 1990.

The Property Activity also participated in advisory committee work involving revisions to the fire rating system and the key rating system for property policies. A review of current statutes was initiated to determine if added flexibility for rates and forms can be provided.

### *Property Rating*

The Property Rating Division is responsible for promulgating new fire insurance rates and revising existing fire insurance rates for use in determining property insurance premiums for individual commercial risks. To accomplish this mission facilities and operations have been established in twenty-one (21) field offices throughout the state (Abilene, Amarillo, Austin, Beaumont, College Station, Corpus Christi, Dallas, El Paso, Fort Worth, Harlingen, Houston, Lubbock, Midland, San Angelo, San Antonio, Sherman, Texarkana, Tyler, Victoria, Waco and Wichita Falls). Property rating technicians in these offices evaluate and promulgate fire and extended coverage rates on all commercial buildings, schools, churches, public buildings and other structures for which individual rating is required. These rates, based on formulas and schedules promulgated by the Board, take into consideration the construction, occupancy, location, fire protection and fire hazards of the various buildings. More than 783,000 rates are maintained by the Property Rating Section.

**Figure 19. Summary of Activity - Property Rating**

| | FY 89 | FY 90 |
|---|---|---|
| New Buildings Inspected | 24,185 | 20,780 |
| Existing Building Rates Revised | 23,736 | 22,658 |
| Rates Cancelled | 5,109 | 5,080 |
| Visitors Counseled | 2,377 | 1,830 |
| Number of Telephone Calls | 29,914 | 36,995 |
| Written Requests for Rate Information | 2,665 | 1,973 |

### *Computer Rate Service*

Once rates are promulgated, they are stored in the State Board of Insurance's mainframe computer by the Computer Rate Service. This division receives more than 250 telephone calls an hour on busy days from agents and companies in need of a rate calculation before a policy is issued. Companies also can access the information by direct computer links. Agents can receive data over the telephone or by mail. In addition to rates, the Computer Rate Service furnishes certificates for, and keeps records of, structures involved in the windstorm inspection program.

**Figure 20. Summary of Activity - Computer Rate Service**

| | FY 89 | FY 90 |
|---|---|---|
| Property Rate Master File Activity | | |
| New Building Rates | 18,193 | 15,684 |
| Deleted Rates | 6,619 | 5,578 |
| Revised Rates | 57,166 | 51,978 |
| Total Activity | 81,978 | 73,240 |
| Rate Requests Furnished | | |
| By Telephone Calls | 413,914 | 413,836 |
| By Letters | 177,823 | 147,691 |
| In Office | 39,553 | 7,116 |
| Total Rates Furnished | 631,290 | 568,643 |
| Active On-Line Master Files | 771,877 | 783,697 |

### *Windstorm Inspection Division*

The Windstorm Inspection Division was created in 1988 to administer the Texas Windstorm Inspection Program under Section 6A, Article 21.49, *Texas Insurance Code*. Texas law requires that all new construction, additions, or repairs to property located along the coast be inspected to be eligible for windstorm insurance through the Texas Catastrophe Property Insurance Association (TCPIA). This division provides inspections of property and assists consumers, architects, and builders in complying with the applicable building codes.

Although new building construction along the coast has slowed somewhat during recent years, the number of windstorm inspections increased considerably during Fiscal Year 1990. This is largely due to a repairs made as a result of damage caused by Hurricane Jerry in Galveston, Brazoria, and Chamber counties. A total of 32,732 inspections were conducted in Fiscal Year 1990, an increase of nearly 10,000 inspections from the previous year.

To increase consumer awareness and understanding of the windstorm inspection program, this division worked with Information Services to publish a new brochure this year. Entitled *"Before You Build, Remodel or Repair . . ."*, the brochure describes the windstorm inspection program and consumers' responsibilities under the law. Educational programs also were held through the year to make coastal residents aware of the program and its impact on the insurability of their property. Staff also continued work on preparing a comprehensive *Catastrophe Plan* to be used in the event of a hurricane or other natural disaster.

Figure 21. Summary of Activity - Windstorm Inspection Program

| | FY 89 | FY 90 |
|---|---|---|
| Applications | 10,569 | 16,034 |
| Inspections | 22,903 | 32,732 |
| Certificates of Compliance | 5,137 | 11,110 |
| Letters Received | 3,883 | 2,422 |
| Letters Written | 5,422 | 2,670 |
| Telephone Calls Received | 86,612 | 150,250 |
| Visitors Served | 1,948 | 2,180 |

## *Average Rate Office*

This division administers, calculates and promulgates blanket average rates when more than one building is insured under a single policy. For instance, if a chain of stores with offices in several cities wants a single property policy, this office averages the various factors that comprise the rate to establish a single average rate. Records are maintained and provided by technicians in the main property rating office in Austin.

The division also assists consumers and the industry in the interpretation and application of rating rules and regulations. To improve efficiency and quality of service, the division converted to full computerization of average rates during Fiscal Year 1990. This allows staff to respond more quickly to requests for rate information.

Figure 22. Summary of Activity - Average Rate Office

| | FY 89 | FY 90 |
|---|---|---|
| Number of Average Rate Bulletins Published | 9,504 | 8,033 |
| Requests for Average Rate Information | 11,784 | 10,337 |

## *Insurance Lines*

The Insurance Lines Division provides technical assistance and oversight of rules, regulations and policy forms for the four major lines of property insurance: commercial multi-peril, inland marine, petroleum, and personal lines.

**Commercial Multi-Peril:** This section is responsible for the regulation of commercial property insurance, including both commercial fire and multi-peril policies. Staff reviews all requests for changes to any of the commercial fire and multi-peril policies, forms or endorsements, and presents recommendations to the Board for final disposition. When changes are granted by the Board, this section is in charge of implementing those changes. This section also is responsible for coordinating, proofreading and assembling, printing and distributing commercial multi-peril revisions to the *Texas General Basis Schedules* (GBS), the only insurance manual published exclusively by the Board.

Work also began in Fiscal Year 1990 to re-write all commercial property policies into simplified, easy-to-read language. Staff of this section assisted an advisory committee appointed by the Board (Board Order 56479) on May 10, 1990 to develop new policies and to review existing property insurance rules and regulations. Staff will continue working with the committee throughout the coming year.

**Figure 23. Summary of Activity - Commercial Multi-Peril**

| | FY 89 | FY 90 |
|---|---|---|
| Requests for Rate Information | 9,635 | 9,048 |
| Number of Complaints Processed | 96 | 99 |

**Inland Marine:** This section is responsible for the regulation of inland marine insurance in accordance with applicable provisions of Article 5.53, *Texas Insurance Code* and the Texas definition of inland marine insurance. During Fiscal Year 1990, this section acted on filings pertaining to such lines of insurance as Accounts Receivable, Valuable Papers, Stamp Collection, Personal Jewelry, Films and Negatives, Floor Plan Policies, and Equipment Dealers. In addition, 380 individual filings for excess rates in connection with various classes of inland marine insurance were processed.

**Petroleum Properties:** The Petroleum Properties Section processes and prepares Board Orders on Plan "C" Deviations, Percentage Deviations and Property Dividends. The section also is responsible for accepting rate filings for all eligible petroleum property and for approving named rate filings, excess of loss filings, and excess rate filings.

**Figure 24. Summary of Activity - Petroleum Properties**

| | FY 89 | FY 90 |
|---|---|---|
| Plan "C" Deviation Transactions | 13 | 10 |
| Percentage Deviation Transactions | 327 | 300 |
| Dividend Transactions | 28 | 10 |
| Named Rate Filings | 1,230 | 912 |
| Excess of Loss Filings | 338 | 270 |
| Excess Rate Filings | 894 | 3,226 |

This section also processes all deviation requests for property insurance policies under Article 5.26, *Texas Insurance Code*, including homeowners, farm and ranch owners, fire, and other property insurance lines.

In 1989, 85.1 percent of homeowners insurance written by rate-regulated companies was written at an average 17.5 percent below the manual rate.

**Figure 25. Three-Year Summary of Homeowners Deviations***

| | 1987** | 1988 * | 1989 * |
|---|---|---|---|
| Average Statewide Downward Deviation | 16.9% | 17.2% | 17.5% |
| Percentage of Market Written at Downward Deviations | 86.8% | 86.8% | 85.1% |

* *This table includes information only for multi-peril homeowners policies. It does not include tenant homeowners, farm and ranch owners, fire, or other residential property coverages.*

** *Deviations are reported for each "experience year", which includes the most recent data available at the time of the annual property rate hearing.*

**Personal Property Lines:** The Personal Property Lines Section oversees the regulation of residential insurance, including special multi-peril policies such as homeowners, and farm and ranch owners contracts. The activities of county mutual insurance companies also are supervised. This section also handles revisions to standard forms and rules, and activities related to production and distribution of the *Texas General Basis Schedules.* The homeowners security program under Article 5.33A, *Texas Insurance Code* (whereby homeowners receive a premium discount for meeting certain theft prevention standards) also is administered by this section. At the end of Fiscal Year 1990, more than 30,000 premium reduction certificates were in force under this program.

One of the primary activities in Fiscal Year 1990 was the development of a new readable homeowners policy. This section provided technical assistance to the Board-appointed advisory committee responsible for re-writing homeowners, tenant and condominium policies and endorsements. The new forms, adopted on February 14, 1990, will be issued on all policies sold or renewed after October 1, 1990.

**Figure 26. Summary of Activity - Personal Property Lines**

| | FY 89 | FY 90 |
|---|---|---|
| Number of Telephone Calls | 9,900 | 10,296 |
| Number of Certificates Issued | 6,432 | 7,707 |
| Number of Rate Quotes | 324 | 269 |
| Number of Complaints Processed | 416 | 536 |
| Premium Reduction Certificates in Force | 23,614 | 30,162 |

### *Engineering*

The Engineering Division inspects the fire fighting capabilities of some 595 cities and towns through Texas. Through this inspection process, key rates are established for each individual city and town based on fire department equipment, personnel, water capacity, size of water mains, building codes and other fire protection. Inspections also are conducted to calculate fire rate credits for individual buildings protected by automatic sprinkler systems.

During Fiscal Year 1990, this division inspected 98 cities for key rate purposes, reviewed 858 sets of drawings of automatic sprinkler systems and automatic fire alarm systems, and conducted field inspections and tests of 221 new installations and 342 existing installations. In addition, inspectors checked one city with new water systems and tested 183 pumpers from various fire departments. Engineering draftsmen drew 14 new waterworks maps and corrected 173 drawings.

Engineers and inspectors also devoted considerable time to architects, builders, sprinkler companies, city officials and individuals needing assistance with fire protection problems. The engineering staff also assisted the Board-appointed Key Rate Advisory Committee appointed by the Board on February 27, 1990, (Board Order 55949) in its study of the Texas Key Rate System.

**Figure 27. Summary of Activity - Engineering**

| | FY 89 | FY 90 |
|---|---|---|
| Key Rate Field Inspections | 82 | 98 |
| Key Rate Supplements Published | 199 | 318 |
| Auto Pumpers Retested | 111 | 183 |
| New Waterworks Systems Inspected | 4 | 1 |
| Automatic Sprinkler Systems Plans Checked | 1,005 | 858 |
| Automatic Sprinkler Field Inspections (Old) | 176 | 342 |
| Automatic Sprinkler Field Inspections (New) | 259 | 221 |
| Old Maps Corrected | 192 | 173 |
| New Maps Drawn | 13 | 14 |
| Highly Protected Risk Rates | 3 | 4 |

## CASUALTY

The Casualty Activity oversees regulation of all lines of casualty insurance, including workers' compensation, automobile, general liability, and other miscellaneous lines. The activity also includes loss control functions designed to reduce insurance losses by over-seeing compliance with laws requiring insurers to provide safety services in various lines of casualty insurance.

Workers' compensation continued to be a primary focus of the Casualty activity throughout Fiscal Year 1990. As a result of the comprehensive workers' compensation reform legislation (S.B. 1, *Acts of the 71st Legislature, 2nd Called Session)*, technical staff and management concentrated on implementing the many changes occurring immediately and preparing for changes scheduled to occur in the coming months. Staff also attended numerous workshops across the state to educate employers, the insurance industry, agents and others affected by the new legislation.

All employees of the Casualty Activity participated in the agency's strategic planning activities during the past year. Each division established short term and long term goals designed to improve efficiency and quality of service to the public. Staff meetings were held on a regular basis to monitor progress in accomplishing these goals.

## *Workers' Compensation*

**Management:** Workers' compensation insurance availability and affordability continued to be a primary concern during Fiscal Year 1990. Early in the fiscal year, the Board held several days of public hearings to deal with these and other workers' compensation issues. The Texas Workers' Compensation Assigned Risk Pool (TWCARP) and its operations received considerable attention during the hearing. To address concerns that the pool deficit was having a negative impact on the availability of workers' compensation in the voluntary market, the Board agreed to revise certain rules applicable to the pool. Some of those revisions included: a 15 percent rate level differential applicable to all risks written through the TWCARP with premium in excess of $5,000; implementation of a tabular surcharge plan; and adoption of an Assigned Risk Rating Program. These steps were taken to increase premiums in the pool and thereby reduce the growing pool deficit.

Figure 28. Texas Workers' Compensation Assigned Risk Pool Deficit History

| Year | Prior Year Voluntary Premium Writings | Amount of Deficit |
|---|---|---|
| 1980 | $1,127,520,713 | $ 11,491,302 |
| 1981 | 1,294,546,540 | 8,162,998 |
| 1982 | 1,428,378,580 | 12,520,888 |
| 1983 | 1,525,622,916 | 16,536,827 |
| 1984 | 1,565,786,136 | 19,882,685 |
| 1985 | 1,546,721,042 | 14,458,910 |
| 1986 | 1,558,114,335 | 73,504,187 |
| 1987 | 1,835,436,569 | 182,280,299 |
| 1988 | 2,332,586,083 | 399,095,363 |
| 1989 | 2,599,981,987 | 551,183,000 |

The adoption of S.B. 1, *Acts of the 71st Legislature, 2nd Called Session* on December 13, 1989 also brought new functions and responsibilities to the Workers' Compensation Division. The management staff spent a great deal of time reviewing the bill to determine what rules, procedures and personnel were needed to implement the new legislation. Staff worked with *ad hoc* committees to draft rules for the Board's consideration. Management also worked with the Texas Workers' Compensation Commission (TWCC) to assure a smooth transition and to strengthen the relationship between the two agencies.

To educate the public concerning changes associated with the adoption of S.B. 1 and the Board's new rules governing operation of the TWCARP, the division's management staff participated in many more speaking engagements than in the previous year. Most of these appearances were before consumer groups, insurance agents and insurance company personnel and were designed to help educate them about the revisions and how they would be affected by the changes.

Figure 29. Summary of Activity - Workers' Compensation Management

| | FY 89 | FY 90 |
|---|---|---|
| Interpretation & Rulings | 10,952 | 11,347 |
| Office Visits | 228 | 166 |
| Complaints | 221 | 253 |
| Board Hearings/Meetings | 8 | 20 |
| Board Orders | 14 | 44 |
| Office Conferences | 96 | 107 |
| Outside Meetings Attended | 12 | 23 |

**Policy Review:** This section is responsible for reviewing workers' compensation policies issued to employers to make sure the policy has the correct endorsements attached with appropriate classifications and corresponding rates. Since it is not possible to review all policies filed, the section concentrates on reviewing files of new risks; businesses that have changed ownership, are scheduled to be experience rated or have a change in the named insured; or are insured through the Texas Workers' Compensation Assigned Risk Pool. In Fiscal Year 1990, 108,145 files were reviewed.

The Board currently is working on installation of a state-of-the-art image processing system that will allow this section to be more selective in choosing files for review. Through random sampling, technicians will be able to monitor the accuracy of policies issued for each insurance company writing workers' compensation. Review by random sampling has not been possible in the past due to the number of files involved and the lack of automation. The electronic data base created by the image processing system will provide necessary information for an automated policy review function.

Figure 30. Summary of Activity - Workers' Compensation Policy Review

| | FY 89 | FY 90 |
|---|---|---|
| Daily Reports Approved | 41,645 | 36,527 |
| Endorsements Separately | 81,700 | 77,451 |
| Cancellations Separately | 15,356 | 15,835 |
| Disapprovals Written | 30,946 | 29,673 |
| Letters Written | 4,538 | 4,379 |
| Telephone Calls | 6,623 | 11,968 |
| Office Visitors | 184 | 263 |
| Non-Rated Files Worked | 31,851 | 39,661 |
| New Files Created | 24,964 | 22,166 |
| Inter-State Files Worked | 11,346 | 16,468 |
| Intra-State Files Worked | 42,718 | 29,850 |
| Computer Transaction Requests | 43,012 | 38,066 |

**Classification:** To obtain workers' compensation insurance, each business and its operations must be reviewed and assigned one of approximately 650 classifications. The classification given a company is very important since it directly affects the cost of the insurance. Many factors are considered when determining a classification, including the type of work performed and the hazards involved in performing the work. The Classification Section is responsible for determining and assigning classifications to businesses when the Policy Review Section questions a classification already assigned to a business, or when requested by the insured, an insurance agent, or insurance company. Reviews may be conducted by telephone, through written correspondence, by making field inspections. Information needed to determine the proper classification may be provided by the insured, the agent, or the insurance company.

Although the number of plant inspections conducted in Fiscal Year 1990 was lower than the previous year due to vacancies in certain positions, the section experienced a 29 percent increase in the number of written and telephone inquiries received. This increase is mainly due to consumer and industry questions related to provisions of S.B. 1.

**Figure 31. Summary of Activity - Workers' Compensation Classification Office**

| | FY 89 | FY 90 |
|---|---|---|
| Files Audited | 542 | 667 |
| Number of Plant Inspections | 1,422 | 1,054 |
| Number of Days Traveled | 422 | 315 |
| Total Miles Traveled | 70,876 | 54,913 |
| Average Travel Cost Per Inspection | $ 22.91 | $ 26.70 |
| Interpretations & Rulings | 31,730 | 41,913 |
| Office Visitors | 146 | 178 |
| Inspection Cards Made | 1,698 | 1,349 |

**File Section:** More than 170,000 workers' compensation files are maintained by this section. Though this number may seem high, it represents a marked decrease from the 310,000 files previously maintained. One of the primary reasons for the decrease is the fact that policies with less than $1,500 annual premium are no longer filed with the State Board of Insurance. The reduced number of files has made it possible to improve maintenance of the remaining files. In addition, the on-line capability to update records in the *Automated Locator System* continues to improve the accuracy of the system.

**Figure 32. Summary of Activity - Workers' Compensation Files**

| | FY 89 | FY 90 |
|---|---|---|
| New Files Created | 22,183 | 28,162 |
| Files Worked in Reduction | 155,213 | 75,247 |
| Files Destroyed | 19,139 | 10,963 |
| Incoming Mail | 677,980 | 797,588 |
| Inter-State Rating Forms Received | 22,540 | 27,198 |
| Computer Transactions: | | |
| Records Deleted | 63,926 | 51,104 |
| Records Added | 60,669 | 55,581 |
| Records Updated | 33,782 | 20,537 |

**Rate Modification:** This section is responsible for promulgating experience modifiers for policyholders that have sufficient premium to qualify for experience rating. To obtain an experience rate modifier, an employer's actual workers' compensation loss experience over a given period of time is compared with the average experience expected for all employers within the same class. Employers with better-than-average loss records receive a credit, which reduces overall premium costs. Those employers with worse-than-average loss records experience a premium increase with a debit modifier.

Figure 33. Summary of Activity - Workers' Compensation Rate Modification

| | FY 89 | FY 90 |
|---|---|---|
| Ratings | 47,683 | 50,050 |
| Rate Cards | 30,355 | 30,152 |
| Letters of Authority | 37,967 | 35,284 |
| Request for Unit Statistical Cards | 4,827 | 2,941 |
| Data and Invoices | 27,661 | 29,924 |
| Letters Written | 2,199 | 1,875 |
| Telephone Calls | 61,956 | 61,763 |
| Visitors | 1,385 | 1,464 |
| Re-Rates | 1,028 | 1,701 |
| Non-Qualifying Rates | 1,124 | 3,065 |
| Letters to Legal | 1,327 | 528 |

### *Liability Insurance*

Two separate sections are responsible for regulating liability insurance activities. The General Liability Section is responsible for the administration of statutes and rules related to a wide variety of personal and commercial liability contracts. The Professional Liability Section oversees regulation of professional liability insurance, such as medical liability coverage for health care providers.

**General Liability:** The primary function of this section is analyzing and processing for Board approval various policy forms, endorsements, and manual rules filed by insurance companies and licensed rating organizations for the various liability insurance lines. During Fiscal Year 1990, the General Liability Section reviewed and approved 120,342 individual rate filings, processed and computed 8,579 experience ratings, performed audits on 56,085 policy form filings, responded to 49,572 telephone inquiries and 20,927 written inquiries, and processed 210 written complaints.

Staff continued entering data into the *Automated File Retrieval System* installed in Fiscal Year 1989. Approximately 476,000 files have been entered into the electronic system, allowing staff to access all existing files via an automated index. The new system has resulted in significant savings in staff time and provides better control and security of files. Most important, the automated system allows staff to better serve the public in a more timely fashion.

Automation of files also is critical to the success of the Board's efforts to monitor the availability of liability insurance for all markets. As authorized under Article 21.49-12, *Texas Insurance Code*, the Board has directed the General Liability Section to continue collecting data for certain lines and classes of businesses that are particularly susceptible to market constrictions. Information obtained from the newly automated files system will be used by the Board in its decision-making and is a useful resource for the public.

Figure 34. Summary of Activity - General Liability

| Activity | FY 89 | FY 90 |
|---|---|---|
| "A" Rate Filings | 130,000 | 120,342 |
| General Information Requests | 45,000 | 70,499 |
| Audits | 56,085 | 76,314 |
| Ratings | 5,344 | 8,579 |
| Complaints | 308 | 210 |

**Professional Liability:** The primary function of the Professional Liability Section is to regulate medical professional liability insurance under Article 5.15-1, *Texas Insurance Code*, as well as 233 active miscellaneous professional liability programs (e.g. Errors & Omissions and Directors & Officers insurance). Medical professional liability includes coverage for physicians, surgeons, hospitals, dentists, nurses, chiropractors, optometrists, blood banks, nursing homes, medical clinics and other specified types of health care providers. The division is responsible for reviewing all professional liability insurance programs, including policy contracts, endorsement forms, rating classifications, rating rules, and rates. Management makes recommendations to the Board for approval based on the feasibility of new and revised programs for use in the state.

Premium on medical professional liability insurance in Calendar Year 1990 totaled $163,177,243, a slight decrease over the $164,923,871 reported in the previous year. This, plus the fact that some insurers have filed rate decreases, indicates some stabilization in the cost of this type of insurance. Another indication of market stability can be seen in the decreased number of consent-to-rate applications processed by the division. These applications are filed on behalf of health care providers who agree to a rate higher than that approved by the Board under its rate regulatory authority. The number of consent-to-rate and "A" rate filings processed by the Professional Liability Section fell from 17,639 in Fiscal Year 1989 to 12,137 in Fiscal Year 1990. This is significant particularly when compared to the two-fold increase in the number of applications approved in Fiscal Year 1988 as compared to Fiscal Year 1987. Two new insurers applied for and received licenses to write medical professional liability insurance, adding more stability to an already improved market for professional liability insurance.

This division also is responsible for the regulatory oversight of the Texas Medical Professional Liability Insurance Underwriting Association (JUA) which was established by statute (Article 21.49-3, *Texas Insurance Code)* to provide a state-controlled market of last resort for health care providers who cannot obtain needed coverage in the private voluntary market. For the third year in a row, the JUA did not need to assess policyholders for an operating deficit. The policyholder stabilization reserve fund was sufficient to cover the approximately $1.9 million deficit of the JUA. The Texas JUA is one of the only two state medical JUA's in the country that is not currently operating with a multimillion-dollar deficit.

During Fiscal Year 1990, the Professional Liability Section also has taken on new responsibilities. Under provisions of the *Omnibus Health Care Rescue Act*, (H.B. 18, *Acts of the 71st Legislature)* the State Board of Insurance was directed to enact rules to implement premium discount and patient safety course approval provisions. In August 1990, the Board approved these rules for permanent adoption. Seven insurers since have filed premium discounts which were approved by the Board. The section also approved six patient safety and risk reduction training courses.

Other activities of the section during Fiscal Year 1990 include: enactment of rules to implement the provisions of Article 5.15(H), *Texas Insurance Code*, for two-year rate renewals; development of computerized program and rate filings, form letters and evaluation criteria; development of a *Policies and Procedures Manual;* implementation of a new micrographics system to film and store all "A" rates and consent-to-rate approvals to improve efficiency and save space; participation in a task force with the State Emergency Council to explore insurance alternatives for 911 emergency operators; and distribution of a nationwide survey on medical professional liability rules and rates.

**Figure 35. Summary of Activity - Professional Liability**

| | FY 89 | FY 90 |
|---|---|---|
| "A' Rates and Consent-to-Rate Filings | 17,639 | 12,137 |
| Telephone Calls | 13,964 | 12,109 |
| Board Orders | 51 | 62 |
| Office Consultations, Conferences | 104 | 142 |
| Board Meetings and Hearings | 92 | 95 |
| Written Complaints | 176 | 115 |
| Letters, Memos & Bulletins | 17,121 | 8,011 |

## *Automobile, Title, Bond, Burglary, Plate Glass, and Miscellaneous Casualty Lines*

This division administers the statutes and Board regulations pertaining to (1) Automobile, (2) Bond, Burglary, Plate Glass and Miscellaneous Casualty Lines, and (3) Title Insurance.

**Automobile:** Functions of this section generally can be categorized as research, development and review of existing and proposed automobile insurance policy forms, endorsements, coverages, and manual rules. In addition, this section serves as the administrative and coordinating office in connection with the stamping office and advisory activities of the Texas Automobile Insurance Service Office (TAISO). The section also is responsible for over-seeing the activities of the Texas Automobile Insurance Plan (TAIP), which is the assigned risk pool for automobile liability insurance. Specific tasks of the section include such things as: reviewing and verifying automobile experience ratings and composite loss ratings; reviewing and processing of individual risk submissions, automobile consent-to-rate applications, statewide class rate deviation applications, and company dividend filings; and assisting consumers with complaint resolution and inquiries regarding automobile insurance rates, underwriting, and other non-claims-related issues.

Automobile insurance accounts for 40 percent of the total Texas premiums written by property and casualty companies. During Calendar Year 1989, written premiums on auto insurance for all Texas licensed companies (except county mutuals) totaled $4,591,512,177. This represents an increase of 10.3 percent over the previous year.

However, county mutual insurance companies (which are exempt from the uniform automobile insurance rate laws) experienced a 128 percent increase with 1989 written premiums totaling $965,986,060 compared to 1988 totals of $755,309,848. County mutuals wrote 21 percent of the 1989 automobile insurance premiums, excluding premiums written by surplus lines carriers and farm mutual companies. During Fiscal Year 1990, the Automobile Section received 245 *Schedules of Charges* filed by county mutual insurers under Article 17.25, Section 6, *Texas Insurance Code*.

Insurers subject to the Board's rate regulation have the option of selling automobile insurance at rates other than those promulgated by the Board. Companies may file for deviations (upward or downward), or, with the consent of the insured, may charge rates in excess of the Board promulgated rates. As of August 31, 1990, the Board approved 435 automobile rate deviations, including 172 downward and 109 upward deviations on private passenger automobile. During 1989 (the most recent year for which complete information is available), 67.3 percent of the private passenger automobile insurance was sold at an average 19.7 percent below rates set by the Board. In commercial auto, 94 downward and 60 upward deviations were approved. The low number of commercial automobile deviation filings could be due to the fact that the annual commercial automobile rate hearing resulted in an average 22 percent decrease in rates, which caused companies not to renew their downward deviations.

**Figure 36. Three-Year Summary of Private Passenger Automobile Deviations***

| | 1987 | 1988 | 1989 |
|---|---|---|---|
| Average Downward Deviation | -12.1% | -17.2% | -19.7% |
| % of Market Written at Downward Deviations | 68.1% | 63.3% | 67.3% |
| Average Upward Deviation | +22.2% | +25.9% | +15.3% |
| % of Market Written at Upward Deviation | 3.9% | 3.2% | 7.0% |
| % of Market Written at Manual Rates | 28.1% | 33.5% | 25.7% |
| Average Deviation - Total Market | - 7.4% | -10.0% | -12.2% |

* *Deviations are reported for each "experience year" which includes the most recent data available at the annual rate hearing*

During Fiscal Year 1990, the Automobile Section was involved in a number of ongoing projects in addition to its routine responsibilities. Staff worked with employees of TAISO to address needed changes to the *Texas Automobile Manual* and the *Standard Provisions for Automobile Policies*. The automobile experience rating staff and the State Board of Insurance legal staff together developed and established a legal referral system for insurance companies violating the statutory requirements to file information on experienced-rated risks. Staff referred 261 cases to the Compliance Program for disciplinary action in Fiscal Year 1990.

Staff also worked with a number of advisory committees, industry and legislative groups studying automobile insurance issues and activities. The advisory committee appointed to study *Vendor's Single Interest Policies* (Board Order 51390, August 18, 1987) continued meeting during Fiscal Year 1990. The section chaired two separate Board-appointed advisory committees. One was directed to study the feasibility of deregulating automobile rates and forms Board Order 56137, March 22, 1990). A second committee studied options for a no-fault auto insurance system (Board Order

56136, March 22, 1990). A third Board-appointed committee studied issues related to garage liability insurance (Board Order 56057, March 15, 1990). Staff provided technical information, background research, statistical data, and support staff for these and other committees.

The section also worked with the Texas Education Agency (TEA) to meet requirements of S.B. 417, *Acts of the 71st Legislature,* which transferred the responsibility for accreditation of driving schools. As required under the new statute, the State Board of Insurance and TEA entered into a *Memorandum Of Understanding* which created a Driving Safety Curriculum Task Force. The section will continue to work with TEA on this issue as needed.

To provide staff with both the skills and information needed to perform their job, the section held regularly-scheduled staff meetings to discuss technical issues regarding consumer questions on automobile issues, office procedures, and employee activities. Training classes also were held on selected topics related to auto insurance (such as automobile experience rating and the *Texas Garage Liability Policy).*

Staff continued its work with the U.S./Mexican Insurance Working Group of the National Association of Insurance Commissioners (NAIC), which was formed as a result of the growing border commerce problems (such as auto insurance for tourists and auto theft occurrences). Changes in the territorial provision in the *Texas Non-Resident Automobile Policy* were enacted, which previously provided coverage for non-residents only while driving in Texas. Effective November 1, 1990, coverage will be provided anywhere in the United States and Canada, a significant change for citizens coming to Texas from Mexico who wish to purchase protection for travel within the United States.

The Automobile Section also met or exceeded its goal to resolve complaints within 90 days of receipt, and to perform audits of 50 complaint files each month. More than 96,000 inquiries or complaints were processed in Fiscal Year 1990, 95 percent of which were closed within 90 days.

**Figure 37. Summary of Activity - Automobile**

| Activity | FY 89 | FY 90 | +/- % |
|---|---|---|---|
| Experience Rating Files | 38,148 | 34,327 | - 10 |
| Composite Rating | 938 | 812 | - 13 |
| Loss Rating | 180 | 83 | - 54 |
| Nonstandard Limits | 119 | 87 | - 27 |
| Liability Rating Received | 7,867 | 9,600 | + 22 |
| Experience Rate Ownership/Inquiries | 29,407 | 34,327 | + 17 |
| Specimen Automobile Policy | 190 | 118 | - 28 |
| State Agency Auto Policies | 85 | 61 | - 18 |
| Consumer Inquiries and Complaints* | 62,421 | 96,758 | + 55 |
| Deviation Filings | 254 | 435 | + 71 |
| Dividend Filings | 191 | 151 | - 21 |
| Consent-to-Rate Filings (CTR) | 181,219 | 120,815 | - 33 |
| Individual Risk Submissions (IRS) | 2,282 | 2,271 | - .5 |
| County Mutual Rate Filings | 282 | 245 | - 13 |
| Board Orders** | 544 | 692 | + 27 |
| Commissioner Orders | 191 | 151 | - 21 |
| Bulletins/Mailings*** | -- | 26,251 | -- |
| Hearings/Meetings*** | -- | 263 | -- |

* *Includes General Information*

** *Board Orders broken out by type are: 435 Deviations; 5-PP Symbols; 231-IRS; 21-General).*

*** *Not Recorded Separately in Previous Years*

**Bond, Burglary, Plate Glass and Miscellaneous Casualty Lines:** This section assists with the administration of statutes and Board regulations pertaining to fidelity and surety bonds, guaranty agreements, personal and commercial crime insurance, and commercial glass insurance. The miscellaneous casualty lines administered by this section also include mortgage guaranty insurance and credit casualty insurance coverages. Routine responsibilities include reviewing and exercising supervision over the rules, rates, policy forms and endorsements used in each casualty line of insurance.

The process of rate review varies depending on the line of insurance and the nature of the risk. Rates for municipal bond insurance are submitted and approved individually for each independent bond issue (Board Order 27966, November 27, 1974). Rates for mortgage guaranty insurance are not specifically approved but must be filed prior to use (Article 21.50, *Texas Insurance Code)*. This section also reviews consent-to-rate applications, which are applications submitted by insurers to obtain approval to charge rates in excess of the standard rates on specific risks. Experience ratings are also filed with and reviewed by staff. Experience ratings permit an insurer to discount or surcharge the standard premium on fidelity bonds, crime, and glass insurance based on the insured's experience.

This section also investigates complaints filed against companies and agents that involve the various casualty lines of insurance. During Fiscal Year 1990, 84 new complaints were received, 67 complaints were closed, and 19 complaints were referred to other divisions within the agency for additional review and investigation.

To provide statistical data and other information in a more timely fashion, the section worked on a number of projects designed to increase efficiency. During late Fiscal Year 1990, computerization of a consent-to-rate system was completed. The *Automated Document Retrieval System* (also known as the "Prime" system) is on-line and operational for entry of experience rating information. The section will continue to enter all rating information into the system for anticipated completion in Fiscal Year 1991. The section also established a system to microfilm all Experience Rating Forms and consent-to-rate applications, and began utilizing the *Uniform Complaint Tracking System* for all complaints received by the section.

As part of its routine responsibilities, the section also prepared and distributed 4,524 information bulletins to insurance companies and agents. The bulletins advised companies and agents of policy forms and rate changes approved by the Board.

**Figure 38. Summary of Activity - Bond, Burglary, Plate Glass and Misc. Casualty Lines**

| Activity | FY 89 | FY 90 | +/- % |
|---|---|---|---|
| Filings Received Regarding Rules, Rates and Policy Forms | 70 | 100 | + 42 |
| Experience Ratings | 1,137 | 974 | - 14 |
| "A" Rate Board Orders Prepared | 317 | 368 | + 16 |
| Consent-to-Rate Applications Processed | 2,873 | 3,340 | + 16 |
| General Information Requests Processed | 7,546 | 7,928 | + 5 |
| Hearings/Board Meetings | 16 | 4 | - 75 |

**Title:** The State of Texas regulates title insurance in all respects for the protection of consumers who purchase the insurance. The Board, as authorized by Chapter 9, *Texas Insurance Code*, has promulgated a comprehensive rules, rates and forms manual for the writing of title insurance. The staff of the Title Section work extensively with other divisions within the agency to facilitate early detection of insurer impairment and enforcement of applicable rules and regulations.

A relatively new responsibility of the Title Section is the performance of field examinations of title agents. As authorized under Section 14(c), Article 9.48, *Texas Insurance Code*, examination staff conducts audits to ascertain that title agents are in compliance with state laws and Board rules, thereby protecting the safety of funds held in trust. During its second complete year of operation, the examination staff completed 64 field audits of title agents in 44 different counties.

During Fiscal year 1990, the Title Section established *Minimum Standards of Audit of Trust Funds*, which are required of title insurance agents and title attorneys. The Board also adopted a one percent guaranty assessment recoupment charge which is collected directly from persons paying premiums for title insurance policies. This charge allows title insurance companies to recover assessments paid to the Title Insurance Guaranty Association in December 1989. Once a company has collected the amount it paid into the fund, the one percent recoupment charge will be discontinued. Other section accomplishments include: adoption of new policy forms, rules and endorsements; amendments to rules regulating *Directly Issued Title Insurance* policies (commonly referred to as "Home Office" issue); and adoption of new rules and policy language for use in the *Policy of Title Insurance (USA)* by title companies insuring the Texas National Research Laboratory Commission in its purchase of lands for the *Superconducting Super Collider* project. The section also participated in several public speaking engagements across Texas and worked with the Subcommittee on Title Insurance of the Insurance Committee of the Texas House of Representatives.

**Figure 39. Summary of Activity - Title Section**

| Activity | FY 89 | FY 90 | +/- % |
|---|---|---|---|
| Annual Escrow Audit Review | 963 | 611 | - 37 |
| Field Audits | 57 | 64 | + 12 |
| Technical Examinations | 15 | 53 | + 353 |
| New Agency Contracts* | -- | 11 | -- |
| Agency Contract Revisions* | -- | 285 | -- |
| Complaints | 97 | 680 | + 701 |
| General Information Requests | 25,657 | 24,901 | - 3 |
| Rates, Rules & Policy Forms | 1 | 29 | + 2900 |
| Board Orders | 1 | 6 | + 600 |
| Commissioner's Orders | 229 | 224 | - 2 |
| Hearings | 3 | 41 | + 1370 |
| Mailings/Bulletins | 1,420 | 5,329 | + 375 |
| Meetings* | -- | 131 | -- |

* *Not recorded separately in previous years*

## Loss Control

The Loss Control Division primarily is responsible for enforcing statutory requirements that insurance companies provide adequate accident prevention services to their insureds. The State Board of Insurance is required to establish safety standards and to check insurance companies for compliance. This division also certifies the qualifications of field safety representatives employed by insurance companies. Other activities of the division include: implementing the premium discount program for safety for workers' compensation policyholders (Article 5.55A, *Texas Insurance Code);* approving professional liability insurance premium reductions for health care professionals who do charity work and have completed risk reduction and patient safety courses (Article 5.15-4, *Texas Insurance Code);* enforcing the *Amusement Ride Safety and Insurance Act* (Article 21.60, *Texas Insurance Code);* responding to the Governor's Task Force for Emergency Management for the State of Texas; and coordinating an accident prevention program for State Board of Insurance employees.

State law requires that this division perform at least biennial evaluations of insurance companies writing specified lines of coverage to determine if they are providing adequate accident prevention services. Companies subject to this requirement include those providing the following types of insurance: workers' compensation, commercial auto, professional liability for hospitals, medical professional liability, professional liability for insureds other than hospitals, and general liability.

The Board's concern for workplace safety has directed the priority of the division to evaluation of compliance by workers' compensation carriers. A review of data indicates that insurers have increased their safety expenditures by more than $7 million over the last two years.

**Figure 40. Accident Prevention Services Provided By Workers' Compensation Carriers**

| | Number Companies Reporting | Number Field Safety Reps. | On-Site Visits | Safety Expenditures |
|---|---|---|---|---|
| 1987 | 294 | 772 | 121,661 | $26.7 million |
| 1988 | 264 | 1,207 | 126,622 | $26.1 million |
| 1989 | 261 | 1,001* | 124,250** | $34.1 million |

* *Does not include field safety representatives employed by fee service companies.*
** *Includes on-site visits conducted by fee service company field safety representatives.*

In Fiscal Year 1990, accident prevention services of 154 insurance companies were evaluated by the division. Ninety-seven insurers received an adequate rating and 46 were found to be less-than-adequate. Companies with less-than-adequate ratings will be closely monitored for compliance through the coming year. Companies that continue to show a lack of progress in meeting the statutory requirements will be subject to disciplinary action. Eleven additional companies with either low premiums, very few exposures, or low losses and offices outside the state, were reviewed but not evaluated due to the high costs of such reviews.

Some of the most common problems detected in the evaluations include: lack of service for small premium accounts; the practice of determining accident prevention services based on company underwriting policies rather than the client's needs; and company personnel responsible for loss control activities are not always aware of the existence of some policyholder accounts. There were, however, some noted improvements among insurance companies, including the use of more qualified personnel and better analysis by insurers' loss control staff. The responsibility of evaluating workers' compensation accident prevention activities will be transferred to the Texas Workers' Compensation Commission beginning January 1, 1991.

As required by the *Amusement Ride Safety and Insurance Act*, the Loss Control Division also oversees insurance requirements for amusement rides. Each ride must be inspected and operators are required to provide proof of insurance. In Fiscal Year 1990, approximately 100 carnival owners and amusement ride operators provided proof of insurance coverage and injury reports and complied with safety inspection requirements for 1,366 amusement rides.

**Figure 41. Summary of Activity - Amusement Ride Safety & Insurance Act**

| | FY 87 | FY 88 | FY 89 | FY 90 |
|---|---|---|---|---|
| Certificates/Policies | 1,031 | 837 | 1,121 | 1,366 |
| Injury Incident Reports | 14 | 19 | 20 | 18 |
| Number of Injuries | -- | -- | 42 | 43 |

The Loss Control Division also is responsible for administering the State Board of Insurance's *Occupational Health and Safety Program*, an accident prevention program for agency employees. In Fiscal Year 1990, staff developed a new safety program designed to reduce employee accidents and injuries. As part of the program, an agency Safety Committee was appointed; evacuation plans for three buildings were updated and tested; Emergency Response Teams involving 81 employees were trained in first aid, cardio-pulmonary resuscitation (CPR) and emergency response; and safety surveys and inspections were conducted throughout the agency. Effectiveness of the program was evidenced through a reduction in the accident/injury rate for the agency. Seventeen accidents were reported in Fiscal Year 1990, compared to 30 accidents in Fiscal Year 1989.

## LICENSING GROUP

The responsibilities of the Licensing Group include managing the various licenses, certificates of authority and registrations subject to the jurisdiction of the Commissioner of Insurance (exclusive of approval of rating organizations and joint underwriting associations). Its operation components include the following sections:

- **Agents Licensing Section** - This section handles licensure of several types of insurance agents, as well as life insurance counselors, risk managers, title agents, escrow officers, and adjusters. This section also approves and audits programs responsible for providing agents' continuing education.

- **Company Licensing Section** - This section deals with the issuance of certificates of authority to foreign and domestic insurance companies and to Third-Party Administrators (TPAs), and conducts field reviews of the operations of TPAs.

- **Insurance-Related Activities Section** - This section is responsible for the regulation of health maintenance organizations (HMOs), continuing care retirement communities (CCRCs), prepaid legal service organizations, and premium finance companies. To facilitate the financial review of HMOs and CCRCs, examiners which previously had been assigned to Licensing were transferred to the Financial Program during the first half of the fiscal year.

- **Surplus and Excess Lines Section** - This section reviews the eligibility of non-admitted or "surplus lines" property and casualty insurers to do business in Texas and also handles the registration of risk retention groups and purchasing groups.

- **Activity Development Section** - This section was formed in May 1990 to provide coordinated support to the overall Licensing Group in functions and projects that affect multiple sections.

Additionally, a staff of program attorneys and legal secretaries, under shared supervision with the Legal Services Division, provides legal support to various functions of the Licensing Group.

The goal of the Licensing Group is to achieve consistency in administration of licensing functions, thus improving both efficiency and effectiveness. Realization of this goal should result in expeditious determination of whether a given entity is eligible to engage in an activity regulated by the Commissioner.

**Figure 42. Number of Licensees and Certificate Holders Under Jurisdiction of the Commissioner**

| License Type | FY 89 | FY 90 |
|---|---|---|
| Agents* | 247,761 | 233,927 |
| Adjusters | 23,931 | 29,763 |
| Insurance Companies** | 2,238 | 2,203 |
| Health Maintenance Organizations*** | 37 | 34 |
| Risk Managers | 485 | 616 |
| Premium Finance Companies | 422 | 431 |
| Continuing Care Retirement Communities | 14 | 17 |
| Third-Party Administrators | 55 | 197 |

* *Individuals may hold multiple licenses of various types.*

** *Includes Exempt Associations, Domestic Risk Retention Groups, and Non-Profit Legal Services Corporations.*

*** *Certificate of Authority only. Excludes divisions.*

**Company Licensing:** The Company Licensing Section serves as the official custodian of the corporate records of insurance companies that do business in Texas. As such, it is responsible for collecting and maintaining biographical information on the principal individuals of all domestic and foreign insurance companies. The section's routine responsibilities include processing of incorporations, amendments to corporate charters, mergers, withdrawals, dissolutions, and various other corporate actions and related licensing activities as they apply to the 20 different types of insurance companies authorized under Texas law.

The Company Licensing Section also acts on behalf of the Commissioner in receiving service of process upon those companies for whom the Commissioner is, by law, the attorney for service. In addition, the Securities Custodian administers the statutory deposits that are required to be maintained by licensed insurers and corporate agencies for the protection of policyholders and creditors. The amount of cash and securities deposited with the State Treasurer increased from approximately $282 million in Fiscal Year 1989 to $303 million in Fiscal Year 1990. The funds held in various banks under joint control with the Commissioner of Insurance increased from approximately $34 million in Fiscal Year 1989 to more than $37 million in Fiscal Year 1990.

This section has the responsibility of answering public inquiries concerning insurance companies that are licensed in the State of Texas. Through publications and press releases issued by the State Board of Insurance, consumers are being encouraged to check the licensing status of insurance companies. In an effort to make this information more widely available, the *Company License Master Information System* ( a database residing on the agency's mainframe computer) is updated on a regular basis with respect to any changes and is available for on-line inquiry to the entire agency. The system allows the agency to store and subsequently retrieve descriptions and historical details for every company that has ever been licensed to conduct business in the State of of Texas, improving the agency's ability to respond to public inquiries.

S.B. 832, *Acts of the 71st Legislature*, repealed the Third-Party Administrators licensing law passed in 1987 (H.B. 170, *Acts of the 70th Legislature, 2nd Called Session)* and replaced it with new licensing requirements. The rules and forms needed to implement S.B. 832 (Article 21.07-6, *Texas Insurance Code)* were approved on August 22, 1989, to become effective September 1, 1989.

S.B. 832 provides for the licensing and regulation of persons who collect premiums or contributions from or who adjust or settle claims in connection with life, health, and accident benefits or annuities for residents of this state. S.B. 832 also requires certain insurers and health maintenance organizations which are performing as Third-Party Administrators to register with the State Board of Insurance and added the requirement of on-site examinations of licensed Third-Party Administrators.

As of August 31, 1990, 197 Third-Party Administrators had been licensed and 51 on-site examinations of licensed Third-Party Administrators had been conducted. The purpose of these examinations is to verify compliance with the *Texas Insurance Code* and the State Board of Insurance rules. The staff analyzes the results of each examination and recommends appropriate regulatory action where necessary.

**Agents Licensing:** The Agents Licensing Section is primarily responsible for reviewing and processing license applications for issue and renewal; approving and canceling company appointments for agents; reviewing, approving and auditing agents and adjusters continuing education training programs; and producing certificates of license status.

The section was organized into five independent units reporting directly to the Licensing Group Deputy Commissioner in July of 1990. The reorganization was made to promote greater effectiveness in decision-making as well as expediting the section's ability to accurately respond to the demands of the public, the legislature and industry representatives.

In recent years, this section worked to simplify and improve the agent licensing procedures. An innovation of major significance occurred during Fiscal Year 1989 with the approval of an outside testing service for administering qualifying examinations. Reliance upon the service to effect this function will dramatically improve accessibility, quality of examination and promptness of score results. Under authority granted by the Board in Fiscal Year 1988, Educational Testing Service (ETS), Princeton, New Jersey contracted with the State Board of Insurance to screen applications for licensing and to develop, administer and grade examinations.

The first examination was administered by ETS in early Fiscal Year 1990. The number of tested applicants was dramatically reduced during Fiscal Year 1990 when ETS began administering the examinations. There are several reasons for this: (1) as the testing process is ETS's primary function, it has greater quality control over the licensing examination and related procedures; (2) insurance companies and training schools had to adjust their teaching techniques as the new examination requires the entry level agent to demonstrate an actual knowledge and understanding of insurance, and not simply an ability to memorize answers; (3) during the first three weeks of Fiscal Year 1990, no examinations were administered, due to conversion to the testing service; and (4) constriction of the personal lines property/casualty markets, resulting in many companies being less interested in sponsoring new applicants for license.

Administration of the mandatory continuing education requirement for life insurance and property/casualty agents continued to be a major effort by the Agents Licensing Section during Fiscal Year 1990. Additionally, continuing education requirements for managing general agents and adjusters became effective on September 1, 1990 and for title agents and escrow officers on June 1, 1990. To monitor compliance of continuing education, an on-site, telephonic and mail survey audit procedure was developed.

The section continues to work towards completion of a single computerized *Agents License Master File*. At the present time, license types with relatively few licenses are being added to the data system. These include the following license types:

title/escrow, adjusters, risk managers, non-resident property/casualty, prepaid legal, health maintenance organization, managing general agent, salary, state and special agents, and surplus lines. Once these lines are automated, a single certificate for all licenses issued to a given individual will be issued in lieu of multiple certificates. When the single certificate comes on-line in Fiscal Year 1991, the amount of paperwork will be reduced significantly for both the licensees and the State Board of Insurance. In addition, consumers will have a clearer picture of the licensing status of individuals with whom they are doing business.

The section's telephone communications bank, consisting of nine operators and a supervisor, consistently fields an average of 600 phone calls per day, more than half of all calls handled by the section. These operators received extensive training and are not only able to handle routine inquiries, but also many more difficult and technical questions involving statutes, rules and procedures.

In May 1990, the Agents Section initiated a weekly status report that is made available to the Deputy Commissioner, Commissioner and Board Members. This report displays in a grid form, the timeliness of processes, the number of processes, and the number of pending processes for each unit on a weekly basis, as compared to the preceding report. This report serves as a management tool, providing a quick, accurate and timely vehicle for status of work in progress as well as an indication of the status of filings required to be made with the section.

**Figure 43. Five-Year Summary of Agent's Licensing Section Statistics**

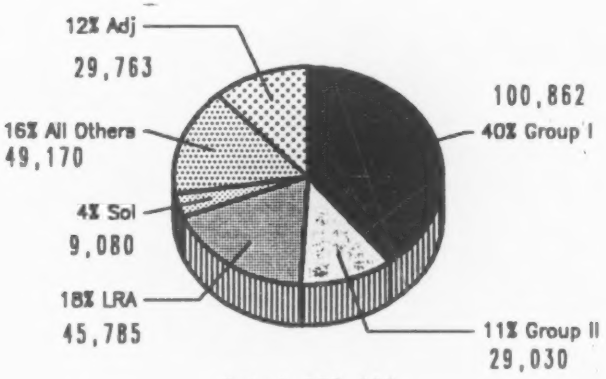
| | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|---|---|---|---|---|---|
| Total Licenses Issued | 47,100 | 46,898 | 47,836 | 40,734 | 31,041 |
| Total Licenses Renewed | 74,118 | 53,621 | 85,066 | 56,562 | 83,824 |
| Total Licenses Cancelled | 27,213 | 28,993 | 49,735 | 34,268 | 40,418 |
| Total Additional Appointments Processed | 136,997 | 142,966 | 162,736 | 159,148 | 204,337 |
| Total Current Licenses | 213,426 | 266,149 | 264,815 | 272,177 | 263,690 |
| Total Examinations* | 31,498 | 31,237 | 36,469 | 33,011 | 19,366 |

** FY 86-89 administered by SBI. FY 90 administered by ETS.*

Figure 44. Number of Agent, Adjuster and Risk Manager Licenses - 1989 and 1990

| | FY 89 | FY 90 |
|---|---|---|
| Adjusters | 23,931 | 29,763 |
| Risk Managers | 485 | 616 |
| Agents | | |
| Group I | 110,725 | 100,862 |
| Group II | 29,199 | 29,030 |
| Variable Annuity | 12,715 | 12,159 |
| Variable Life | 484 | 484 |
| Local Recording | 47,983 | 45,785 |
| Solicitor | 10,577 | 9,080 |
| Non-Resident Fire/Casualty | 8,295 | 8,782 |
| Managing General | 908 | 924 |
| State Specialty | 10,139 | 10,428 |
| Title | 2,009 | 1,619 |
| Escrow Officers | 5,147 | 4,677 |
| Direct Operations | 3 | 4 |
| Surplus Lines | 609 | 557 |
| Pre-Paid Legal Agents | 7,304 | 6,951 |
| HMO Agents | 1,579 | 1,886 |
| Life Counselors | 85 | 83 |
| TOTAL | 272,177 | 263,690 |

LICENSE DIVISION
TOTAL ACTIVE LICENSED AGENTS AND ADJUSTERS
AS OF 08-31-90



Total 263,690

**Surplus and Excess Lines:** Individuals or businesses who are unable to find insurance coverage from companies licensed to do business in Texas have an option of working with specialized insurance agents and insurance groups who are permitted by law to place coverage with companies that are not licensed in Texas. The regulation of these types of insurance transactions (including surplus lines, risk retention groups, and purchasing groups) is the responsibility of the Surplus and Excess Lines Section.

In Fiscal Year 1990, a number of steps were taken to improve regulation of surplus lines, including:

1. Guidelines for encouraging compliance, time frames for reports and agents' responses, and a proposed bulletin for detailing financial filing requirements were coordinated with the Surplus Lines Stamping Office of Texas (Section 6A, Article 1.14-2, *Texas Insurance Code)* for improved regulation. Completion is expected before the end of Calendar Year 1990;

2. A change in the Plan of Operation for the Stamping Office also was proposed as a rule change to clarify functional responsibilities under statute to improve understanding of the coordinated rules of the State Board of Insurance and the Stamping Office in achieving improved regulation of surplus lines insurance (Section 6A, Article 1.14-2, *Texas Insurance Code* and 28 *Texas Administrative Code*, 15.101);

3. A rule was adopted to clarify that surplus lines tax trust accounts must be in the name of the State Board of Insurance, with the agent who collected the tax as the trustee.

4. Another rule was adopted to give the Commissioner more discretion in determining if reinsurance was adequate in hearings to consider eligibility of insurers applying for exemption from capital and surplus requirements.

In addition to surplus lines insurance, this section oversees risk retention and purchasing groups formed under a federal act *(Liability Risk Retention Act - 15 USC 3901-3906)* signed into law in late 1986. Although these groups are exempt from many state insurance laws, Article 21.54, *Texas Insurance Code*, establishes requirements for risk retention groups domesticated in Texas and registration requirements and guidelines for foreign risk retention groups and purchasing groups. Purchasing groups are groups of businesses which ban together to buy group liability insurance as a unit. Additional rules were formulated during Fiscal Year 1990 to enhance regulation under existing statutes.

More than 600 original, follow-up and corrected registrations of risk retention and purchasing groups were processed in Fiscal Year 1990 including agents' reports on their activities with purchasing groups. This section, jointly with Information Services, developed a brochure titled: *A Consumer Guide: Understanding Purchasing Groups In Texas*. More than 5,000 brochures were distributed to school districts, trade associations, and the general public. The brochure explains how to recognize the implications of purchasing insurance as a group under the *Liability Risk Retention Act*.

Many employers are uninformed of the roll purchasing groups play. Therefore, this publication provides some helpful information, such as:

1. the lack of guaranty fund protection;

2. warnings about unauthorized entities conducting the business of insurance in Texas, and

3. the lack of State Board of Insurance jurisdiction over purchasing groups in certain circumstances.

**Insurance-Related Activities:** The Insurance-Related Activities Section oversees the regulation of a diverse group of entities, including health maintenance organizations, premium finance companies, continuing care retirement communities, and prepaid legal services corporations. Because of the unique nature of each of these organizations, specialists within the section perform a wide range of tasks.

***Health Maintenance Organizations:*** Regulation of health maintenance organizations (HMOs) is different from other areas of insurance in that HMOs are regulated by both federal and state government. However, while federal regulation applies only to those HMOs which are federally certified, state regulation applies to any HMO conducting business in Texas. As part of reorganization within the State Board of Insurance, examiners previously a part of the HMO Unit were transferred on September 1, 1990, to the Financial Analysis Unit. Although financial related filings are coordinated with examiners in the Financial Analysis Unit, the HMO Unit is responsible for both regulation and some financial oversight of HMOs. Technicians review and analyze thousands of filings each year, including: new and revised evidence of coverage forms; rate filings; provider contracts; management contracts; organizational documents such as bylaws and articles of incorporation; purchase, construction and lease agreements; bonds; reinsurance contracts; marketing plans; complaint procedures; quality assurance and utilization review mechanisms; and changes in ownership and control.

The unit also processes and reviews documents for new HMOs seeking certificates of authority as well as applications for service area expansion. During Fiscal Year 1990, four applications for admission were processed, with nine service area expansions. As of August 31, 1990, Texas had 47 licensed HMOs and HMO Divisions (37 basic service and 10 single service), with approximately 1.9 million enrollees. This compares to 1989 figures of 50 HMOs with 1.6 million enrollees. One basic service HMO is in receivership and one basic service HMO is currently under the jurisdiction of federal bankruptcy court.

The slight decrease in the number of licensed HMOs is due to the voluntary dissolution of several licensed HMOs and to mergers and/or acquisitions of existing HMOs and HMO Divisions. Technicians in the HMO Unit believe that the number of applications for new licenses apparently was substantially below what had been predicted because of the troubled Texas economy, marketplace saturation, and the election of several entities to purchase existing HMOs instead of forming new ones.

During Fiscal Year 1990, the HMO Unit worked on proposing amendments to the State Board of Insurance HMO rules and regulations. These amendments are necessary to conform to legislative amendments to the *Texas Health Maintenance Organization Act* adopted by the 70th and 71st Legislatures. The adoption of the proposed rules by the Board is expected by late Calendar Year 1990 or early Calendar Year 1991. The HMO Unit works closely with the HMO Solvency Surveillance Committee (Article 20A, 36, (Article 20A.36, *Texas Insurance Code)* which assists the Commissioner in detection and prevention of HMO insolvencies.

Figure 45. Ten-Year Statistical Overview of HMO Industry In Texas

| As of FY: | Approximate Number of Members | Number of Full Service HMOs* | Number of Single Service HMOs* |
|---|---|---|---|
| 1981 | 114,300 | 9 | - |
| 1982 | 170,100 | 9 | - |
| 1983 | 272,446 | 13 | - |
| 1984 | 392,800 | 14 | - |
| 1985 | 564,430 | 24 | - |
| 1986 | 780,598 | 34 | 1 |
| 1987 | 1,043,823 | 43 | 4 |
| 1988 | 1,300,000 | 41 | 8 |
| 1989 | 1,626,099 | 40 | 10 |
| 1990 | 1,915,690 | 37 | 10 |

* *Combines certificates of authority and divisions*

Figure 46. Summary of Activity - Health Maintenance Organizations (HMOs)

| Activity | FY 89 | FY 90 |
|---|---|---|
| Applications Processed | 4 | 4 |
| Service Area Expansion | 8 | 9 |
| New Forms Received | 7,149 | 5,516 |
| Forms Completed | 5,114 | 5,824 |
| Site Visits and Desk Audits | 183 | 186 |
| Telephone Calls | 10,925 | 9,091 |

***Prepaid Legal:*** Prepaid Legal Services Corporations (PPLs) are similar to HMOs in that they provide legal benefits as the need arises in exchange for prepayment by enrollees. Many of the regulatory procedures and processes are similar to those which apply to HMOs, but there are distinctions as well. For example, unlike HMOs, rates for all PPLs must be approved or disapproved by the Board. The review of all policy forms as well as coordination of PPL-related activity within the agency and communications with the public are handled by the PPL Unit.

One non-profit legal service corporation and 31 insurance companies have been approved to include prepaid legal plans in their insurance product lines.

**Figure 47. Summary of Activity - Prepaid Legal Services Corporation (PPLs)**

| Activity | FY 89 | FY 90 |
|---|---|---|
| Forms Received | 46 | 17 |
| Forms Completed | 31 | 18 |
| Telephone Calls | 438 | 422 |
| Board Hearings | 1 | 4 |

***Continuing Care Retirement Communities:*** Continuing Care Retirement Communities (CCRCs) have been in existence for a number of years, but were not required to be licensed until September 1, 1987 with passage of the *Texas Continuing Care Facility Disclosure and Rehabilitation Act* now codified as Chapter 246 of the *Health and Safety Code*. CCRCs operate facilities that enter into contractual agreements to provide primarily lodging and health-related services to elderly residents. The agreements contain provisions that require residents to pay entrance fees that currently range from $9,350 to $196,500 as full or partial consideration for acceptance as a resident.

The original act was amended by H.B. 1475, *Acts of the 71st Legislature*. The Board rules governing CCRCs have been amended to reflect the changes in the act resulting from H.B. 1475.

A restructuring to consolidate financial activities of the Board resulted in a shifting of the financial monitoring responsibilities for CCRCs from the CCRC Unit to the Financial Analysis Unit. The CCRC examiner was transferred to the Financial Analysis Unit on February 1, 1990.

While terminology "continuing care facility" is used loosely within the industry and although a facility may provide a variety of services, only those facilities that meet very specific criteria are subject to the act. Eighteen licenses have been issued since September 1, 1987. One facility underwent a change in control resulting in a reduction to a total of 17 licensed facilities in Texas as of August 31, 1990. Each facility was licensed under the grandfather provision of Section 246.023 of the *Health and Safety Code*.

**Figure 48. Summary of Activity - Continuing Care Retirement Communities (CCRC's)**

| Activity | FY 89 | FY 90 |
|---|---|---|
| Applications Reviewed | 23 | 6 |
| New Licenses Issued | 13 | 4 |
| Actuarial Reviews Filed | 4 | 7 |
| Disclosure Statements Filed | 16 | 17 |
| Telephone Inquiries | 518 | 400 |

***Premium Finance:*** Premium finance companies licensed under provisions of Chapter 24, *Texas Insurance Code* consist of independent finance companies, insurance agents, insurance companies and other financial institutions such as banks and savings and loans. It is the responsibility of the Premium Finance Unit to license, examine, investigate and regulate the 431 premium finance companies licensed in Texas. In Calendar Year 1989, the premium finance industry made 544,460 loans at a value of $1.12 billion of insurance premiums. This was an increase over Calendar Year 1988, with 521,668 in loans at a value of $1.1 billion of insurance premiums.

**Figure 49. Summary of Activity - Premium Finance**

| Activity | FY 89 | FY 90 |
|---|---|---|
| New Licenses Issued | 38 | 31 |
| Licenses Renewed | 414 | 431 |
| Examinations Completed | 124 | 62 |
| Annual Reports Analyzed | 397 | 431 |
| Complaints Investigated | 143 | 149 |

**Figure 50. Premium Finance Growth in Texas 1987 - 1989**

| | Calendar Year 1987 | Calendar Year 1988 | Calendar Year 1989 |
|---|---|---|---|
| Amount Financed* | $836,187,281 | $844,893,918 | $859,780,700 |
| Loans Processed | 512,039 | 521,668 | 544,460 |

* *Amount financed equals about 70% of insurance premiums.*

## *FINANCIAL*

Historically, insurance regulation arose from the need to monitor the financial soundness of a highly competitive industry -- one in which insolvencies could spell economic disaster for policyholders and other claimants. This responsibility is carried out today primarily by the Financial Program of the State Board of Insurance.

The Financial Program monitors the solvency and business affairs of more than 700 domestic (Texas-chartered) and 1,500 foreign (out-of-state) insurance companies licensed to do business in Texas. This function is not static but, rather, continues to evolve. New regulatory philosophies, greater sophistication in detecting fraud and in targeting resources, improved automation and increased expectations of policy makers and the public have come together to guarantee a rapid evolution in financial oversight during the 1990s.

**Reorganization:** Fiscal Year 1990 saw the emergence of a number of issues that led to further analysis of the Financial Program's operations and resulted in the reorganization of the program. The new structure consists of five operational activities:

- Examinations
- Holding Company
- Financial Analysis
- Reserve Actuaries
- Reinsurance.

This structure gives the Associate Commissioner in charge of the Financial Program more direct supervision of each activity. By eliminating two reporting levels, the new structure (1) moves vital information to the Commissioner more quickly, (2) encourages the standardization of reporting and documentation, and (3) facilitates the implementation of peer review procedures recommended by management consultants retained by the Board to identify needed improvements within the agency. Of particular importance, the structure includes a separate Financial Analysis Unit to concentrate the agency's efforts toward achieving more sophisticated analysis of annual financial statements.

**Early Warning:** Although the Early Warning System is discussed in more detail in the section on the Commissioner's Office earlier in this report, certain developments during Fiscal Year 1990 had a direct impact on day-to-day operations of the Financial Program.: Of particular note were:

1. A major shift in the focus of financial examination procedures to include greater attention to a review of company operations; implementation of new procedures for pre-examination planning; and the use of limited scope financial examinations for all companies unless conditions require full-scope examination.

2. Submission to the State Board of Insurance of audits by certified public accountants of insurance companies as required by S.B. 255, *Acts of the 71st Legislature*.

3. Development by the Financial Analysis Unit of property and casualty company profiles and priorities for regulatory attention.

In a progress report on implementation of the recommendations made in its 1989 Early Warning study, Coopers & Lybrand highlighted the importance of the Financial Analysis Unit's automation of data on property and casualty companies:

"The most significant change in the Finance Division over the past year has been in the Financial Analysis Unit, where a majority of last year's recommendations were directed.

"A year ago much of the efforts in this unit were devoted to manually verifying the mathematical accuracy of the annual statements. Currently, most efforts are focused on evaluating calculations performed automatically on insurance company data downloaded from the National Association of Insurance Commissioners (NAIC) database."

In Fiscal Year 1990, staff continued the implementation of regular briefings of the Commissioner on troubled companies under the auspices of the Early Warning Management Group.

Of special importance, the Board adopted rules to provide a written basis for identifying companies with hazardous operating conditions. These guidelines (28 *Texas Administrative Code* 8.1-8.3) serve in identifying potential solvency problems and provide a basis for direct referral of companies to the Enforcement Division for action under Article 1.32, *Texas Insurance Code* (Hazardous Financial Condition). Article 1.10A, Section 2(2), *Texas Insurance Code*, gives the Commissioner of Insurance the authority to issue a cease-and-desist order, after notice and hearing, if it appears to the Commissioner that the alleged conduct is fraudulent or creates an immediate danger to the public safety or is causing or can be reasonably expected to cause significant, imminent, and irreparable public injury.

## EXAMINATIONS

This activity is responsible for performing the financial examinations required by Articles 1.15 and 1.17, *Texas Insurance Code*. It also maintains and reviews annual audit reports by certified public accountants in accordance with Article 1.15A, *Texas Insurance Code*.

Company examinations are necessary to determine the financial condition of corporations, firms and persons writing insurance of any kind, including their ability to meet all of their obligations. Examinations also reviews compliance with the laws of Texas affecting the business of insurance.

The Examinations activity analyzes the results of each examination and recommends appropriate regulatory action where necessary. The activity also is involved in developing and defining statutory insurance accounting principles and procedures.

The Chief Examiner supervises the activity. Other personnel include an assistant chief examiner, four field assistant chief examiners, a field property and casualty actuary, approximately 75 field examiners and 16 support personnel. Field examiners are headquartered in Dallas, San Antonio and Houston and work under the supervision of field assistant chief examiners.

**Figure 51. Summary of Activity - Examinations**

| | FY 89 | FY 90 |
|---|---|---|
| Examinations Completed | 248 | 241 |
| CPA Audit Reports Received | N/A | 1,484 |

## HOLDING COMPANY

This activity is responsible for administration of the *Insurance Holding Company System Regulatory Act* (Article 21.49-1, *Texas Insurance Code).* In this capacity, it maintains registration statements of controlled insurance companies, examines transactions between insurance companies and their affiliates, reviews mergers, acquisitions and changes of control, and reviews the valuation of investments in insurance and non-insurance subsidiaries and affiliates.

During Fiscal Year 1990, this activity participated in several major cases such as the attempted takeovers of Farmers Insurance Group by Hoylake/Axa Midi and American General Corporation by Torchmark. Farmers/Hoylake/Axa Midi, one of the largest attempted takeovers in insurance history at approximately $5.2 billion, raised concern on both sides of the Atlantic. Hoylake proposed to take over B.A.T. Industries, a British company and the parent of Farmers Insurance Group, Inc. which controls three Texas insurance companies (Farmers Texas County Mutual Insurance Company, Texas Farmers Insurance Company, and Mid-Century Insurance Company of Texas). The attempt involved important issues of whether the proposed action constituted a change of control; the length of time required for regulatory approval; and the constitutionality of a section of the Holding Company Act. American General/Torchmark involved the issue of whether the solicitation of proxies constituted control of American General and required regulatory approval. Also in Fiscal Year 1990, the activity worked with the Compliance Program to pursue more violations of the Holding Company Act.

**Figure 52. Summary of Activity - Holding Company**

| | FY 89 | FY 90 |
|---|---|---|
| Registration Statements | 720 | 472 |
| Applications For Affiliate Transactions and Acquisition of Control or Exemption Therefrom | 709 | 726 |
| Pending Applications Closed | 761 | 770 |
| Insider Trading Reports | 113 | 108 |
| Proxy Solicitations Received and Reviewed | 15 | 14 |

The 770 pending applications closed in Fiscal Year 1990 fell into the following categories:

- Issuance of surplus debentures, payments of money advanced, dividends and distributions to shareholders and consolidated tax returns - 252.
- Transactions involving management, service, cost sharing, data processing and lease arrangements - 189.
- Deposits in affiliated financial institutions, investment in affiliates, pledge of assets, purchase of securities, treasury stock, loans and real estate - 96.
- Reinsurance arrangements - 134.

- Acquisition of control and exemption from acquisitions of control - 99.

Public hearings were held to consider 33 acquisitions, one reinsurance agreement, three exemption requests and one rescission of acquisition order.

The aggregate consideration paid for the acquisition of control of domestic insurance companies during Fiscal Year 1990 was about $4,422,979,818.

The Holding Company activity also administers the *Insurance Company Insider Trading and Proxy Regulation Act* (Article 21.48, *Texas Insurance Code)* and assists in the review of applications under the *Asset Protection Act* (Article 21.39-A, *Texas Insurance Code)*.

## FINANCIAL ANALYSIS

This activity is responsible for analyzing annual statements required of all insurance companies licensed to do business in Texas to determine financial condition and to assure regulatory compliance. Interim financial reports are reviewed when these are deemed necessary to monitor individual company activities more closely and more frequently than can be accomplished with annual statements alone. Complete reviews are conducted on a continuing basis. The activity also is responsible for the admission of foreign (out-of-state) insurance companies seeking to do business in Texas.

In Fiscal Year 1990, Financial Analysis initiated computerized programs to generate profiles and ratios on significant financial indicators. These results were used to perform detailed analysis, followed by appropriate recommendations or regulatory action. Analysts continuously monitor approximately 500 insurers which were required to file financial reports more frequently than annually. Other financial statements and statistical information of property/casualty insurers filing rate deviation requests also were reviewed.

Annual statements filed by insurers in Fiscal Year 1990 report $29.6 billion in premiums and $22.5 billion in claim payments applicable to Texas policyholders. These statements also report that insurance companies operating in Texas had aggregate assets on a national basis of $1.79 trillion, liabilities of $1.5 trillion, and capital and surplus (net worth) of $288.8 billion. More information from insurer annual statements can be found in Part IV of this report.

## RESERVE ACTUARIES

This activity performs actuarial duties related to life insurance, annuities, and accident and health insurance. It consists of three sections: (1) Field Actuarial, (2) Actuarial Analysis and (3) In-House Actuary.

### *Field Actuarial*

This division reviews reserve liabilities and other actuarial matters in connection with the field examination of legal reserve life insurance companies, fraternal benefit societies and stipulated premium life insurance companies domiciled in Texas. This work normally is performed at the home offices of the companies.

### *Actuarial Analysis*

This division audits and verifies the annual valuation reports of reserve liabilities filed by legal reserve life insurance companies and stipulated premium companies domiciled in Texas. Duties also include the analysis of actuarial items contained in the annual statements of these companies, including non-ledger policy assets, reserve liabilities and the *Statement of Actuarial Opinion* signed by a qualified actuary. During Fiscal Year 1990, actuaries from this division verified 238 reserve valuation reports and analyzed *Statements of Actuarial Opinion* for all Texas domestic life companies. At the end of Fiscal Year 1990, this division was in the process of automating a significant portion of the reserve checking process. In addition, the supervising actuary of this division is developing a *Valuation Actuarial Concept*, which includes the matching of liabilities with supporting assets over time and is designed as part of the agency's Early Warning efforts.

### *In-House Actuary*

This division performs actuarial services as required by statute or regulation or as specifically requested by the Board, the Commissioner, or the Associate Commissioner for Financial. The division assists other staff members with matters of an actuarial nature.

**Figure 53. Summary of Activity - Reserve Actuaries**

| | FY 89 | FY 90 |
|---|---|---|
| Field Actuarial Exams | 106 | 109 |
| Domestic Valuation Reports Verified | 215 | 238 |
| Actuarial Projects | 209 | 233 |

## REINSURANCE

The solvency of insurers often depends on the reliability of their reinsurers. Since Fiscal Year 1989, the State Board of Insurance has employed a staff of specialists who analyze reinsurance agreements to make sure that such treaties meet the strict requirements of state law and Board-promulgated rules and do not harm policyholders by jeopardizing the solvency of the primary insurer. As it evolves, this division is planning to develop a data base on accredited reinsurers, qualified U.S. financial institutions acceptable for issue of letters of credit, trusteed reinsurers, unlicensed reinsurers and other information essential to the proper regulation of this complex part of insurance company financial affairs.

During Fiscal Year 1990, the Reinsurance Activity reviewed and responded to 224 reinsurance agreements submitted by various other activities in the State Board of Insurance. All questions regarding reinsurance issues were submitted to this activity. Rules adopted by the Board in Fiscal Year 1990 strictly define accounting standards for reinsurance transactions. These rules, used in conjunction with amendments to the reinsurance statutes enacted in S.B. 255, *Acts of the 71st Legislature* should enhance this activity's ability to help insure the collectibility of reinsurance ceded to unlicensed companies.

## *COMPLIANCE*

The purpose of the Compliance Program is to facilitate and to enforce compliance with the *Texas Insurance Code* by regulated entities, both licensed and unlicensed. This is achieved by:

- investigating alleged violations of the *Texas Insurance Code* by authorized and unauthorized insurance activities;
- providing legal advice to the Commissioner of Insurance and to agency staff; and
- providing information and assistance to the consuming public.

One of the sanctions available to the Commissioner of Insurance when licensees or others are found to be in violation of the law, is imposition of monetary forfeitures. During Fiscal Year 1990, the Commissioner imposed $6,213,981.70 in forfeitures against companies, agents and other licensees for a variety of violations.

The Commissioner also can order refund or restitution to injured parties. As the result of these activities or other intervention by State Board of Insurance employees, Texas consumers received $46,405,627.27 in refunds or other restitution from licensees in Fiscal Year 1990.

Finally, actions of the Commissioner's Compliance Program can result in civil penalties against unauthorized insurers or other entities that violate provisions of the *Texas Insurance Code*. In Fiscal Year 1990, these penalties totaled $4,273,500.00.

Beginning on April 25, 1990, the Compliance Program sponsored a three-day International Anti-Fraud Symposium. More than 360 people from 18 states were in attendance to hear from international fraud specialists, a former New York Superintendent of Insurance, Special Services Coordinator and General Counsel for the National Association of Insurance Commissioners (NAIC), and the Acting Inspector General for the U. S. Department of Labor. The Symposium enabled staff to enhance working relationships with other regulators, including staff from the Department of Labor Solicitor General's Office, Office of Labor Racketeering, the Federal Bureau of Investigation, the U.S. Justice Department, the U.S. Postal Inspectors, Securities Exchange Commission Enforcement and Organized Crime Division, the Texas Department of Public Safety, the General Counsel's Office of the Army Corps of Engineers, and state and local prosecutors.

The conference was so successful that at the request of the public and some legislators, a one-day seminar, entitled *Insurance in the 90's - A Consumer's Prospective,"* was held on October 31, 1990.

The Compliance Program is composed of the Legal Services and Market Conduct Activities.

## LEGAL SERVICES

During Fiscal Year 1990, Legal Services was reorganized along functional lines into four divisions: Office of Legal Counsel, Enforcement, Legal Support Services, and Unauthorized Insurance.

The Legal Services Activity is responsible for representing the State Board of Insurance staff in the administrative process on an attorney/client basis. It also provides a variety of other forms of legal assistance to the agency. Attorneys in this activity:

- Participate in all Board and Commissioner's hearings and meetings where legal support is requested or required, including administrative and rate hearings.
- Accumulate, prepare and present evidence as needed in hearings and court proceedings.
- Participate in conferences with staff, consumers and representatives of insurers in matters requiring legal support.
- Prepare Board and Commissioner's orders in contested cases hearings and administrative rule-making matters.
- Draft rules and regulations for Board consideration.
- Respond to requests from the Board, the Commissioner and agency staff members for legal assistance and opinions.
- Assist the Attorney General in preparation of court cases referred by the State Board of Insurance and in defending lawsuits against the Board.

A separate section of investigators investigates complaints of violations of the *Texas Insurance Code* and provides support and assistance to legal staff.

**Figure 54. Monetary Forfeitures Assessed**

| Division | FY 90 |
|---|---|
| Legal Counsel | $ 134,650.00 |
| Special Action | 96,339.50 |
| Enforcement | 563,765.20 |
| Unauthorized | 5,419,227.00 |
| Total | $6,213,981.70 |

**Figure 55. Restitutions and/or Refunds to Policyholders/Claimants (Legal Services)**

| Division | FY 90 |
|---|---|
| Enforcement/Special Action/Investigation | $10,377,813.27 |
| Unauthorized | 640,000.00 |
| Total | $11,017,813.27 |

### *Office of Legal Counsel*

In January, 1990, the Office of Legal Counsel was created within the Legal Services Activity. Attorneys who provide consultation and support to staff in all the agency's programs were centralized in the Compliance Program for supervisory purposes and to ensure accurate and consistent policy interpretations and timely advice and opinions. The Office of Legal Counsel also was designated to provide legal support to the Commissioner of Insurance.

Staff in the Office of Legal Counsel work closely with technicians and attorneys throughout the agency, functioning in much the same way as in-house counsel in private industry. Their work is varied and includes such diverse activities as:

- drafting legal opinions, rules, contracts and proposed legislation;
- briefing and preparing requests for Attorney General opinions and Open Records decisions;
- representing staff at Board appeals and contested case, disciplinary, and rate hearings; and
- assisting with various advisory committee tasks.

In Fiscal Year 1990, Legal Counsel attorneys revamped procedures for handling disciplinary cases referred by the Casualty Activity and worked with staff to set up procedures for enforcing the Third Party Administrators act, Article 21.07-6, *Texas Insurance Code*. Much of their time was spent drafting or assisting technicians to develop needed rules on such varied topics as:

- reinsurance, risk retention groups and purchasing groups;
- regulating managing general agents and enforcing continuing education requirements for various categories of agents and adjusters;
- HIV testing and unfair discrimination;
- minimum standards for Medicare supplement policies;
- early release of life insurance benefits for the terminally ill;
- long-term care insurance for the elderly;
- required disclosure of conversion or group continuation privileges on accident and health coverages; and
- H.B. 18, *Acts of the 71st Legislature*, the *Omnibus Health Care Rescue Act* (codified as Article 4414b-1, *V.T.C.A.)*.

Legal Counsel staff were responsible during Fiscal Year 1990 for closing almost 800 cases, as well as resolving a 30-month backlog of approximately 1,200 workers' compensation and approximately 400 title and automobile disciplinary cases, most of which involved late filing of required data reports. Staff assisted in the implementation of the new workers' compensation reforms (S.B. 1, *Acts of the 71st Legislature, 2nd Called Session)*. Staff also:

- drafted more than 200 contracts for the State Board of Insurance and/or reviewed numerous others for legal sufficiency;
- worked with the Attorney General on 142 administrative services, premium, and maintenance tax cases;
- represented staff in hearings involving pending applications on all Continuing Care Retirement Communities (CCRCs);
- monitored litigation important to the agency, such as the bankruptcy of a large health maintenance organization which was challenged by Texas and other states;

- assisted in several major cases such as the Farmers/Hoylake Insurance Group and American General/Torchmark attempted takeovers. Farmers/Hoylake, one of the largest attempted takeovers in insurance history, raised concern on both sides of the Atlantic. Hoylake proposed to take over B.A.T., a British company and the parent of Farmers Insurance companies. The attempt involved important issues of whether the proposed action constituted a change of control and how much time was required for regulatory approval of the ordered action. American General/Torchmark involved the issue of whether solicitation of proxies constituted control of the corporation and, thus, required regulatory approval; and
- represented staff in 22 other acquisitions and in stepped-up enforcement of holding company regulations.

Finally, the Office of Legal Counsel assumed responsibility during the fiscal year for representing staff's position in contested property and casualty rate hearings before the Board. Legal Counsel staff appeared before the Board in the property, investment income and commercial multi-peril rate hearings.

At the close of Fiscal Year 1990, the Office of Legal Counsel was coordinating the preparation of procedures manuals for all areas of the Compliance Program, including the preparation and adoption by the Board of the agency's first *Open Records Compliance Procedures Manual*. Staff developed and began implementing a new case tracking system to provide for greater accountability and responsiveness on legal assignments and to maintain accurate statistics.

### Enforcement

The Enforcement Division represents agency staff in disciplinary hearings involving agents' and company licenses. Enforcement staff, composed of 12 attorneys and supporting paralegal personnel, continued during Fiscal Year 1990 to increase dramatically the numbers of cases litigated involving *Texas Insurance Code* violations. In fact, the division exceeded all objectives set for Fiscal Year 1990, despite a reduction in the number of attorneys devoted to handling administrative proceedings.

Based on reports received from the National Association of Insurance Commissioners (NAIC), these production totals are among the highest in the nation.

**Figure 56. Summary of Activity - Legal Services (Enforcement, Special Action and Investigations)**

| | FY 88 | FY 89 | FY 90 |
|---|---|---|---|
| Cases Received | 1,282 | 1,631 | 1,998 |
| License Revocations/Denials | 78 | 174 | 211 |
| Revocations | 49 | 135 | 161 |
| Denials | 29 | 39 | 50 |
| License Suspensions | 0 | 7 | 14 |
| Cease & Desist Orders | 0 | | 29 |
| Monetary Forfeiture Orders | 30 | 96 | 118 |
| Forfeitures/and Restitutions | $ 432,000 | $9,898,582 | $11,037,917.97 |

Actions against agents and companies involved in deceptive trade practices and misrepresentation to elderly Texans remained a priority. At the same time, staff increased the number of cases closed informally through use of *Assurances of Voluntary Compliance*. This procedure provides an alternative to the hearing process and allows companies and agents to enter into agreements to stop objectionable activities and to take other corrective or remedial action. Disposing of cases without a time-consuming and expensive hearing assures quicker refunds to Texas consumers.

Another area of concentration has been complaints involving unfair claims settlement practices. A number of important cases have been successfully prosecuted, resulting in monetary forfeitures and orders requiring that companies quickly pay claims. Staff instituted procedures designed to expedite the docketing of Board appeals and developed methods to track compliance with consent orders for monetary forfeitures and restitution. These measures result in expedited resolution of appeals and faster disposition of cases when license revocation is pursued for failure to comply with the the terms of a consent order.

The Enforcement Division, together with the Investigations Section and the Special Action Section, has significantly increased its cooperation with local and federal law enforcement agencies, including the newly-created Special Insurance Task Force within the Public Integrity Unit of the Travis County District Attorney's Office. It also has made impressive strides in reducing a long-standing case backlog and shortening the amount of time it takes to close a case.

**Figure 57. Enforcement Cases Closed**

| | FY 88 | FY 89 | FY 90 |
|---|---|---|---|
| Cases Closed | 769 | 1,720 | 2,234 |
| Avg. Days To Close Case | 578 | 285 | 157 |

Finally, on-site and off-site training continued for attorneys and support staff, resulting in significant improvement of skills and overall morale. Intra-agency training involved technicians from other divisions being brought in to acquaint attorneys and legal assistants with specialized areas of insurance regulation. An in-house training program for legal secretaries, designed to lead to the designation as a Certified Professional Secretary, is being taught by senior attorneys and support staff. Staff attorneys desiring to earn certification by the Board of Legal Specialization are being encouraged through agency and division support. As a result, during Fiscal Year 1990, three attorneys achieved certification as administrative law specialists.

## Legal Support Services

The Legal Support Services Division comprises the Special Action Section, the Administrative-Intake Unit and the Investigations Section.

### *Special Action Section*

The Special Action Section is made up of five litigation attorneys and one legal assistant. Special Action attorneys handled 26 of the 29 emergency cease-and-desist orders issued by the agency in Fiscal Year 1990. Attorneys focus on a total problem as opposed to considering only the administrative remedies available under the *Texas Insurance Code*. They cooperate extensively with foreign, federal, state, and local regulatory and law enforcement agencies.

Special Action attorneys assist in staff cases involving the hazardous financial condition of companies doing business in Texas. Where appropriate, attorneys seek orders to rectify these hazardous financial conditions. This requires close coordination with the Financial Program, Conservation and other parts of the agency.

Special Action staff also provide legal services, advice and counsel to the Unauthorized Insurance Division and help coordinate Unauthorized Insurance cases referred to the Attorney General. Each attorney in this section has been designated for appointment as a Special Deputy Assistant Attorney General in appropriate cases. Staff function as the point of contact between the Attorney General and the State Board of Insurance and provide continuing case support and assistance to the state's attorney.

### *Administrative-Intake*

The Administrative-Intake Unit was created to process and track all incoming correspondence directed to the Legal Services Activity. To that end, staff:

- Log in all correspondence and documents;
- Establish case files;
- Distribute assignments to appropriate personnel or route material to another area of the agency for processing;
- Draft acknowledgements and responses in certain instances; and
- Track responsibility for assignments and record dispositions and determinations.

The Administrative-Intake Unit responds to intra-agency and inter-agency requests to the Compliance Program for statistical information and assists the program in automation, planning and budget efforts.

### *Investigations*

The Investigations Section is made up of 15 investigators, financial analysts and support personnel who provide assistance to legal staff. Investigators and financial analysts conduct the inquiries generated by complaints, with investigators interviewing persons who have information relevant to a case and analysts examining the finances of entities under scrutiny. The section is divided into three teams, with assignment based upon an investigator's background, training, prior experience and skills. The teams are designed to respond quickly in situations requiring immediate action.

The Investigations Section handles complaints about licensed agents and companies, takes statements from complainants and witnesses, refers criminal violations to appropriate law enforcement agencies, serves subpoenas and cease-and-desist orders where necessary, and works closely with legal staff and law enforcement on matters involving *Texas Insurance Code* violations. The investigators and financial analysts testify in administrative, civil and criminal proceedings, and staff is frequently instrumental in effecting refunds to consumers as a part of the investigative process.

Figure 58. Summary of Activity - Investigations

| | FY 90 |
|---|---|
| Cases Referred for Investigation | 956 |
| Cases Closed by Investigation | 782 |
| Cases Referred for: | |
| Disciplinary Action | 266 |
| Criminal Prosecution | 128 |

## Unauthorized Insurance

The Unauthorized Insurance Division reviews, evaluates and investigates complaints or reports of possible violations of Article 1.14-1, *Texas Insurance Code*. This section of the *Texas Insurance Code* describes the business of insurance in broad terms and prohibits unlicensed insurance entities from conducting business in Texas, subject only to those exemptions provided by state and federal law.

Responsibilities placed on the State Board of Insurance by Article 1.14-1 include protection of the public from victimization by illegal entities, protection of the state by collection of premium taxes due, and protection of legitimate insurers from unfair and unregulated competition.

The Unauthorized Insurance Division coordinates efforts, both within the State Board of Insurance and with other governmental agencies, to identify and take appropriate measures against those entities and individuals conducting illegal insurance business. The division also recommends necessary actions to the Commissioner of Insurance. These may include:

- referral of cases to the Attorney General for injunctive relief and/or receivership;
- a request to the Special Action Section for a cease-and-desist order or other administrative action;
- referral to appropriate law enforcement agencies for criminal prosecution; or
- a combination of such actions.

Due to the complex myriad of laws under which entities can claim exemption, the division has two investigation sections:

- Health Benefit Section: This group investigates multiple employer welfare arrangements (MEWAs) alleging exemption under the federal *Employee Retirement Income Security Act* (ERISA), health-maintenance-organization-type activities, and other entities offering health benefits.
- Property & Casualty Section: This group investigates unauthorized extended warranties, auto coverages, unregistered purchasing groups, unlicensed workers' compensation, illegal bonding entities, unlicensed agents and similar types of coverage.

After investigation, staff makes a determination for disposition of a case. "Determination" means that an investigation is concluded for any of several reasons, as follows:

- plan was able to demonstrate exemption from regulation;
- plan ceased operating prior to the investigation or voluntarily ceased operating in Texas after State Board of Insurance intervention;
- matter was referred to appropriate law enforcement agency for action;
- matter was referred for action to appropriate section of the State Board of Insurance (if licensees were determined to be involved); or
- case was closed due to inability to obtain evidence to prove unauthorized insurance.

During Fiscal Year 1990, there were 377 determinations, a significant increase over the 326 determinations in Fiscal Year 1989. Due to the workload in the Unauthorized Insurance Division, a new priority plan was developed and implemented to expedite handling of the more egregious cases. Each case is carefully analyzed based on such things as: harm to the public; effect on the industry as a whole; premium tax obligation; past known activities of perpetrators; effects of publicizing matters; potential for asset recovery or protection; most efficient utilization of all resources; and possible involvement of licensees.

Concluded investigations can lead to one or more of three courses of action:

(1) Referral to Attorney General: Twenty cases were referred to the Attorney General in Fiscal Year 1990, versus 15 in Fiscal Year 1989. Final judgements in cases concluded in Fiscal Year 1990 resulted in a publicly known amount of $640,000 in benefits to Texas consumers. In addition to that amount, certain amounts awarded were ordered sealed by the courts which brought the estimated amount of benefits to Texas consumers to more than $1 million. When referring cases to the Attorney General, Unauthorized Insurance provides investigative reports, exhibits, witness statements and testimony, and significant preparation for court. In addition, the Special Action Section also prepares draft pleadings necessary for initiation of the lawsuit by the Attorney General.

(2) Referrals to Criminal Authorities: Even when shut down with civil penalties, unauthorized players tend to surface with new unauthorized schemes. Consequently, criminal prosecution is deemed an essential element of any effective enforcement strategy. Therefore, certain cases are referred to the Travis County District Attorney's Office as well as other law enforcement agencies on the state, local and federal level. Many of these cases involve multi-state activities. The division assists in seeking indictments whenever criminal laws appear to have been broken.

(3) Issuance of Cease-and-Desist Orders by the Commissioner: The bulk of cease-and-desist orders entered by the Special Action Section during Fiscal Year 1990 involved actions against unauthorized insurers. Again, by publicizing such orders, the State Board of Insurance helps address the problem by educating and alerting the public.

**Figure 59. Assessed from Judgments Against Unauthorized Operations**

| | |
|---|---|
| Civil Penalties | $4,273,500 |
| Premium Tax Liabilities | 88,232 |
| Miscellaneous Liabilities | 1,057,495 |
| Direct Restitution to Texas Consumers | 640,000 |

**Figure 60. Summary of Activity - Unauthorized Insurance**

| | FY 89 | FY 90 |
|---|---|---|
| Cases Referred to A.G. for Injunctive Relief | 15 | 20 |
| Cases Concluded ("Determination") | 326 | 377 |
| Site Visits and Examinations | 414 | 405 |
| Public Inquiries/Complaints | 3,958 | 5,319 |

In addition to investigation and referral of cases, the Unauthorized Insurance Division devotes time to:

- Coordinating with other agencies and governmental bodies to enhance enforcement and prevent harm to the public by unauthorized insurance activities. During Fiscal Year 1990, the Unauthorized Insurance Division worked closely a number of agencies, including the Travis County District Attorney, Internal Revenue Service, Federal Bureau of Investigations and the Office of Inspector General of the U.S. Department of Labor. Staff also worked closely with the District Attorney and U. S. Department of Labor, both in the investigation of specific cases and in the formation of procedures and policies which will assist in the prosecution of future cases.

- Offering testimony to lawmakers at both the state and federal level. For instance, staff assisted in the preparation of testimony for presentation to the United States Senate Permanent Subcommittee on Investigations by a member of the Board.

- Assisting consumers in the resolution of their complaints against unauthorized insurers. This may entail working with third-party administrators or other entities in the investigation and settlement of claims covered by exempt plans, such as single-employer ERISA arrangements.

- Public education and awareness. It is not easy for the public to determine the legality of "insurance" or "insurance-appearing" purchases. The division worked closely with the Information Services Activity to publicize actions taken; alert the public about areas of high exposure through press releases; and develop public information brochures. Staff also participated in public forums to advise consumers about how to recognize potential problems at an early stage.

## MARKET CONDUCT

The Market Conduct Activity has three divisions that monitor the marketplace activities and business practices of licensed companies and agents: Claims and Complaints, Market Conduct Examinations and Advertising.

Figure 61. Restitutions and/or Refunds to Policyholders/Claimants (Market Conduct)

| | FY 89 | FY 90 |
|---|---|---|
| Claims and Complaints | $ 17,020,755 | $ 20,468,938 |
| Market Conduct Examination | 1,378,360 | 6,733,311 |
| Advertising | 1,345,449 | 8,185,565 |
| | $ 19,744,565 | $ 35,387,814 |

* Includes refunds, settlements and additional claims payment.

### *Claims and Complaints*

The Claims and Complaints Division provides assistance to policyholders, claimants and the general public in several ways. It examines and analyzes all complaints dealing with the claims handling practices of licensed insurance companies, agents, and other licensees. Although the State Board of Insurance does not have the authority to settle *bona fide* claim disputes, the fact that the State Board Insurance reviews complaints and business practices frequently results in a more thorough review of particular claims by the insurance companies involved. These cases often conclude with a more satisfactory resolution of the issues raised by the complaining policyholders and claimants. During Fiscal Year 1990, the complaints process resulted in insurers making an additional $20,468,938 in claims payments and $8,185,565 in advertising refunds to consumers.

Figure 62. Additional Claim Payments To Consumers

| | FY 89 | FY 90 |
|---|---|---|
| Life, Accident & Health | $ 10,280,915 | $ 9,688,321 |
| Property & Casualty | 6,739,840 | 8,271,180 |
| Senior Concerns and Issues | --- | 2,509,437 |
| TOTAL | $ 17,020,755 | $20,468,938 |

Although it is preferred that complaints be written, the division accepts telephoned complaints from persons whose disabilities make it difficult, if not impossible, to write letters. Staff members record the essential details of such complaints on written forms, which are mailed to the complaining parties for signature. This type of complaint service addresses an additional insurance concern of special citizens.

Closed complaint cases are tabulated by company, type of complaint, reason for complaint, and disposition. A monthly statistical report indicates trends in complaints and provides a basis for comparing the management of companies writing similar lines of insurance. An abnormal change in the type of number of complaints can be symptomatic of financial or other problems within a company. When a significant increase in complaints occurs, the insurer is required to explain the reason for the increase and describe how company management intends to correct problems that exist.

The *Universal Complaint Tracking System* is now in general use by all major divisions of the agency. Data entered on the system has two primary purposes:

1. To manage the large number of files as to date entered, location, pending limitations, and final disposition; and

2. To produce several regulatory reports, including complaint ratio booklets made available to licensees as well as the general public.

Complaint letters have been automated with case processing, and several more are planned.

In addition to complaint handling, this division conducts a number of other public service activities, as follows:

- Public speaking: During Fiscal Year 1990, several staff members represented the agency at statewide meetings of the Texas Business Council, a cooperative business education program sponsored by the Texas Employment Commission. The meetings, held in most major cities, gave state agencies an opportunity to introduce business leaders to agency services and functions.

- Claims and Complaints WATS Line: The Claims and Complaints Division currently operates five stations which process toll-free consumer telephone calls. More than 10,000 calls are received each month.

- Senior Issues: One of the three sections within the Claims and Complaints Division is Senior Concerns and Issues (SCI). This section was developed to address the growing insurance problems and concerns facing Texas' 1.7 million senior citizens.. The section consists of four examiners and support staff. Each examiner is highly qualified and experienced to assist the elderly with such coverage as life insurance, Medicare supplement, long-term care, hospital indemnity, prepaid funeral and specified disease plans. In addition, staff can assist consumers with complaints against insurance agents.

  SCI also is instrumental in developing educational materials for consumers. A video and brochure were produced during the latter part of Fiscal Year 1990. Both materials provide consumers with *"Insurance Tips for Senior Citizens: Buying Medicare Supplement Insurance."* The video was distributed throughout the state, and 200 copies were sent to various senior citizen groups. Approximately 5,500 people viewed the tape, which was also shown on several access cable stations across the state. A video pertaining to long-term care insurance is expected to be competed in Fiscal Year 1991.

  Another facet of SCI's educational commitment to Texas' senior citizens is presenting speeches and conducting workshops. During Fiscal Year 1990, staff:

- gave 88 speeches to various seniors' organizations in 27 of 28 Area Agencies on Aging established by the Texas Department on Aging:
- presented training workshops in Austin, San Antonio and Houston to professionals who work with senior citizens. These include health care providers, senior citizen associations, religious affiliates, and insurance-related organizations. The training sessions give them current information and legislation pertaining to insurance products purchased by the elderly; and
- provided training to 270 benefits counselors who work with the Texas Department on Aging and the Texas A&M Extension Service.

**Figure 63. Summary of Activity - Claims and Complaints Division**

| | FY 89 | FY 90 |
|---|---|---|
| Life, Accident & Health Complaints | 19,124 | 11,969 |
| Property & Casualty Complaints | 7,615 | 8,962 |
| Senior Concerns and Issues | --- | 4,580 |
| Total Complaints Resolved | 26,739 | 25,511 |
| Telephone Inquiries Handled | 106,181 | 191,866 |

### *Market Conduct Examinations*

The 1987 Legislature approved funding to create a division that performs market conduct examinations of insurance companies. This division is charged with determining how an insurer deals with its policyholders and the public. Examiners review the following areas of a company's operation.

- licensing and appointment of agents;
- advertising;
- policy forms and filings;
- underwriting and rating practices;
- claims practices; and
- policyholder complaints and inquiries.

The purpose of these examinations is to verify compliance with the *Texas Insurance Code* and State Board of Insurance rules and to assist the Legal Services Activity with enforcement actions.

Market Conduct Examinations led to ten administrative actions during Fiscal Year 1990, including five for unfair claims settlement practices. These actions accounted for monetary forfeiture assessments by the Enforcement Division and resulted in changed claim settlement practices which will provide fairer treatment to consumers.

The examinations also provided Texas consumers with $6,773,311 of additional recoveries in the form of premium refunds or claim payments during the fiscal year.

Figure 64. Summary of Activity - Market Conduct Examinations

| | FY 89 | FY 90 |
|---|---|---|
| Examinations Completed | 45 | 70 |
| Additional Recoveries | $1,378,360 | $6,773,311 |

Market Conduct Examinations Division staff have participated in numerous speaking engagements designed to educate staff, consumers and insurers. The staff also is involved with the Insurance Regulatory Examiners Society, which provides professional certification of Market Conduct Examiners and technical assistance to the National Association of Insurance Commissioners (NAIC).

## *Advertising*

The Advertising Division is responsible for reviewing insurance related advertising utilized for distribution through all forms of print and electronic media for compliance with state laws and regulations. Advertisements reviewed by the division are:

- submitted by a complainant,
- submitted voluntarily by insurers, or
- referred to the division by another division of the State Board of Insurance.

Currently, only advertisements for Medicare supplement, variable life and any life/annuity product marketed as an *Individual Retirement Annuity Plan* are required to be filed with the State Board of Insurance.

As a result of the advertisements reviewed, several files were referred to Legal Services, resulting in refunds to Texas residents in the amount of $8,185,564.99. Seventy-five percent involved advertisements directed primarily to elderly Texans.

Several deceptive advertising cases concerned agent-developed advertisements which were not approved by the home office of the insurer. As a result, the Advertising Division proposed and now enforces a rule which requires advertisements for life or accident and health products containing the name of the insurer or describing the product of the insurer to be submitted to the insurer for approval prior to use (28 *Texas Administrative Code, 21.122).*

One of the major tasks of the Advertising Division is to review Medicare supplement advertisements. Insurers are required to submit these advertisements to the State Board of Insurance 60 days prior to use. During Fiscal Year 1990 the Advertising Division received more than 1,000 Medicare supplement advertisements. The division assisted in revising the Medicare minimum standards regarding filing requirements for advertising and standards for facilitating comparison among Medicare supplement policies (28 *Texas Administrative Code*, 3.3313 and 3.3314).

The Advertising Division also encountered many advertisements that contained "licensed" names which were misleading the public as to the true purpose of business of the entity/person. Staff initiated a rule change and worked with the Agent's Licensing Section in amending a rule establishing guidelines for approval/disapproval of potentially misleading names (28 *Texas Administrative Code*, 19.901 and 19.902).

The division also was instrumental in the issuance of several emergency cease-and-desist orders, assisted in the revocation of several agents' licenses, and participated in several actions leading to *Assurance of Voluntary Compliance*.

**Figure 65. Summary of Activity - Advertising Division**

| | FY 89 | FY 90 |
|---|---|---|
| Advertising Filings Received | 2,695 | 3,382 |
| Advertising Filings Closed | 3,406 | 4,053 |

# STATE FIRE MARSHAL

The objective of the State Fire Marshal's Office (SFMO) is to reduce the number of fire deaths and injuries in this state along with the incidence and severity of fires. Coordination, training and technical support are provided to municipal and rural fire departments, law enforcement agencies, federal and state agencies and other organizations with a need for, or interest in, fire safety. The State Fire Marshal's Office responds to requests for assistance from local officials in the investigation of fire incidents and prosecution of arson suspects. Facilities are inspected for fire hazards, and guidance and direction are provided in hazard removal. The State Fire Marshal's Office regulates and licenses fire extinguisher, fire alarm, fire sprinkler system and fireworks industries in accordance with statutory requirements. The authority for the State Fire Marshal's public safety efforts derives from the following statutes:

**Government Code, Title 4**

| | | |
|---|---|---|
| 1. | 417.001 | State Fire Marshal Defined |
| 2. | 417.002 | State Fire Marshal, Appointment and Tenure |
| 3. | 417.003 | Status as a Commissioned Officer |
| 4. | 417.004 | General Powers and Duties |
| 5. | 417.005 | Adoption of Rules |
| 6. | 417.0051 | Fire Prevention and Safety Education |
| 7. | 417.006 | Arson Investigators |
| 8. | 417.007 | Investigation of Fire |
| 9. | 417.008 | Inspections - Examination and Correction of Dangerous Conditions |
| 10. | 417.009 | Delegation of Authority |
| 11. | 443.012 | State Capitol Inspection |

**Texas Insurance Code**

| | | |
|---|---|---|
| 1. | 5.43-1 | Fire Extinguishers |
| 2. | 5.43-2 | Fire Alarms |
| 3. | 5.43-3 | Fire Sprinklers |
| 4. | 5.43-4 | Fireworks |
| 5. | 5.46 | Arson Reporting Immunity |
| 6. | 5.25 | Fire Data Collection |

**Health & Safety Code, Title 9**

| | | |
|---|---|---|
| 1. | 753 | Flammable Liquids |
| 2. | 791 | Fire Escape Law |

During Fiscal Year 1990, the State Fire Marshal's Office developed, created and implemented new programs such as fire prevention education programs and management information systems (MIS). The new MIS assists in increasing the sensitivity and flexibility of response to problems. For instance, one MIS provides strategic information that helps local departments and the SFMO focus on problems and their solutions.

The SFMO also revised existing programs such as the investigation, inspection and licensing programs. The licensing program was revised to generate revenue to support functions while investigation and inspection operating procedures were improved to provide more effective enforcement.

The following table shows statistics collected by the *Texas Fire Incident Reporting System* (TEXFIRS) regarding the number of fires in Texas, number of deaths and injuries caused by fires and the value of property destroyed by fires.

**Figure 66. Summary - Texas Fire Statistics 1988 - 1989**

| | Calendar Year 1988 | Calendar Year 1989 |
|---|---|---|
| Number of Fires Responded to by Fire Departments | 138,279 | 134,156 |
| Number of Fatalities Due to Fires | 299 | 290 |
| Number of Persons Injured Due to Fires, estimated | 3,329 | 3,542 |
| Value of Property Destroyed by Fires, estimated | $465,226,592 | $1,241,646,622* |

**$750,000,000 is attributed to the Phillips Petroleum Fire - 10-23-89*

**Significant highlights of Fiscal Year 1990 include:**

1. 303 fire departments which protect 75.5 percent of the Texas population participated in the *Texas Fire Incident Reporting System* (TEXFIRS). About half a million reports were processed by the SFMO.
2. Significant improvements were achieved in fire and arson activities as a result of the computerized *Fire & Arson Investigation Case Management System*, placed in operation during the year. Investigations of fires and arson cases resulted in savings of more than $3.5 million in insurance claims and $2.2 million in litigated claims.
3. The Board adopted revised flammable liquids rules as a result of amendments made to the flammable liquids statute by S.B. 698, H.B. 995 and H.B. 1794, *Acts of the 71st Legislature*.
4. A fire prevention education specialist was hired in December 1989 to fulfill the responsibilities added by S.B. 320, *Acts of the 71st Legislature*. The SFMO conducted research to determine the fire prevention needs of Texans and also learned about programs used in other states. Comprehensive scope and sequence statements were developed for fire and burn instruction for kindergarten through grade 12 and a long-term project to field test education curricula was initiated. A general fire and safety information booklet was completed.
5. More than 125 professionals from fire services, insurance, education and medical fields attended the first Texas fire prevention symposium in May 1990. The symposium was planned in cooperation with the Texas Fire Marshals' Association, Texas Fire Chiefs' Association and the Texas A&M Fire Protection Training Division.
6. The Board adopted amendments to increase fire extinguisher and fire alarm fees effective July, 1990 (Articles 5.43-1 and 5.43-2, *Texas Insurance Code)*.
7. The average license processing time, which last year was reduced from 17 days to 9 days, has been further reduced to 5.2 days.

8. Monetary forfeitures totaling $51,615 were levied against companies licensed to do business by the SFMO. These companies also agreed to remedial action and/or restitution to consumers for approximately $1.1 million.

## General Management

It is the responsibility of this activity to supervise, coordinate, administer and monitor all functions and activities to assure efficient operation and sound application of and adherence to statutes, codes, rules, regulations and orders. Statistics on fire losses, deaths and injuries are collected, tabulated, analyzed and provided to the fire service and the general public and are used in the development of internal programs.

Figure 67. State Fire Marshal - General Management - Summary of Activity

| | FY 89 | FY 90 |
|---|---|---|
| Telephone Requests for Assistance/ Information | 50,924 | 54,202 |
| Correspondence | 204,158 | 174,324 |
| Forms, Pamphlets, Etc. Disseminated | 287,926 | 322,134 |
| Hearings | 94 | 50 |
| Fire Marshal Orders | 27 | 46 |

## Arson Investigation and Inspection

### *Arson Investigation:*

This division provides, upon request, investigation by licensed peace officers to determine the origin, cause and circumstances of fires and to identify suspects in arson fires and assist in their prosecution.

Figure 68. State Fire Marshal - Arson Investigation and Inspection - Summary of Activity

| | FY 89 | FY 90 |
|---|---|---|
| Investigations Requested | 456 | 525 |
| Investigations Conducted | 432 | 486 |
| Follow-up Investigations Conducted | 657 | 1,671 |
| Findings: | | |
| Accidental | 72 | 104 |
| Undetermined | 79 | 127 |
| Incendiary | 211 | 204 |
| Arson Cases Filed: | 117 | 160 |
| Indictments | 138 | 109 |
| Convictions | 52 | 119 |
| Investigation Training Programs Conducted | 19 | 24 |

### *Fire Safety Inspection:*

This division conducts fire and life safety inspections of various occupancies as provided by statute. Inspection of mercantile, manufacturing and public buildings, and places of public amusement or assembly are conducted upon complaint or request pursuant to *Government Code, Title 4, Chapter 417.008*. Inspections of the Texas State Capitol are performed in accordance with *Government Code, Title 4, Chapter 443.012*. Inspection of the storage, handling and use of flammable liquids at retail service stations and operation of mobile service units are conducted in accordance with *Health & Safety Code, Title 9, Chapter 753*. Fire escapes in certain buildings of three or more stories and schools of two or more stories are inspected to determine compliance with *Health & Safety Code, Title 9, Chapter 791*. In addition, this division reviews plans for new or remodeled jails at the request of the Jail Standards Commission. Hazards or discrepancies discovered are monitored for compliance by remedy or removal.

**Figure 69. State Fire Marshal - Fire Safety Inspections - Summary of Activity**

| | FY 89 | FY 90 |
|---|---|---|
| Inspections Requested | 1,461 | 1,665 |
| Inspections Completed (Includes Self-Initiated*) | 2,623 | 1,248 |
| Reinspections Made | 1,988 | 2,146 |
| Buildings Inspected by Occupancy Type: | | |
| Assembly | 926 | 1,214 |
| Education | 3,110 | 2,290 |
| Health Care | 37 | 50 |
| Penal | 18 | 16 |
| Residential | 1,060 | 2,081 |
| Mercantile | 1,238 | 499 |
| Business | 866 | 368 |
| Industrial | 65 | 42 |
| Storage | 131 | 84 |
| Other | 47 | 422 |
| Mixed | 57 | 55 |
| TOTAL | 7,555 | 7,121 |
| Inspections of Flammable Liquids Facilities | 351 | 99 |
| Inspections of Fireworks Facilities/Display Sites | 1,495 | 45 |
| Review of Plans for New/Remodeled Jails | 24 | 4 |

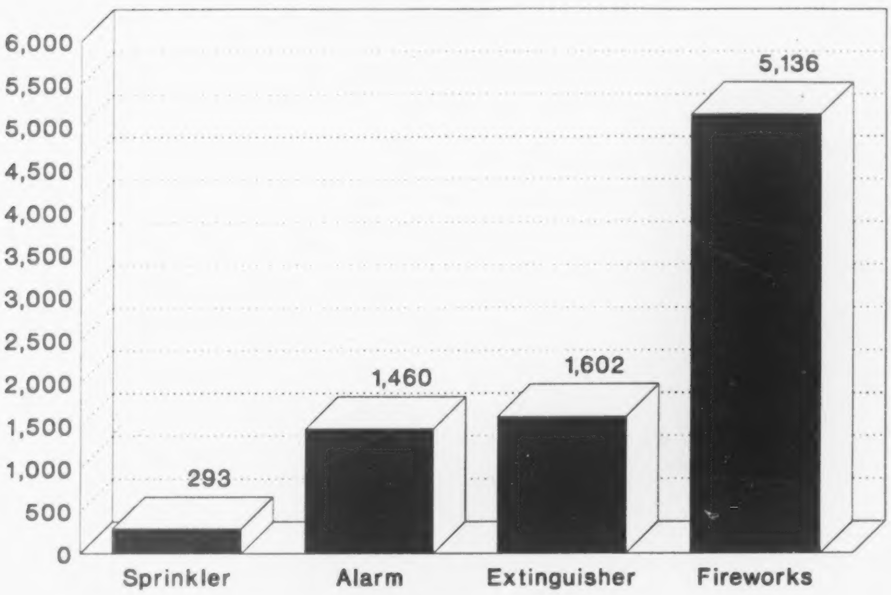
**Those scheduled by SFMO.*

## Licensing

This activity is responsible for registering companies and licensing individuals, as required by statute, and for verifying applicants' qualifications through examination and application evaluation. Fire alarm, fire sprinkler system and fire extinguisher companies are registered; certain fire extinguisher, fireworks, fire sprinkler system, and fire alarm company employees are tested and licensed; and various types of fireworks licenses and permits are issued. Inspections of companies are made and investigations of suspected violations are conducted.

## STATE FIRE MARSHAL LICENSE SUMMARY

**NUMBER OF CERTIFICATES, LICENSES & PERMITS**
**TOTAL=8,491**



**REVENUE DISTRIBUTION**
**TOTAL = $830,897.5**

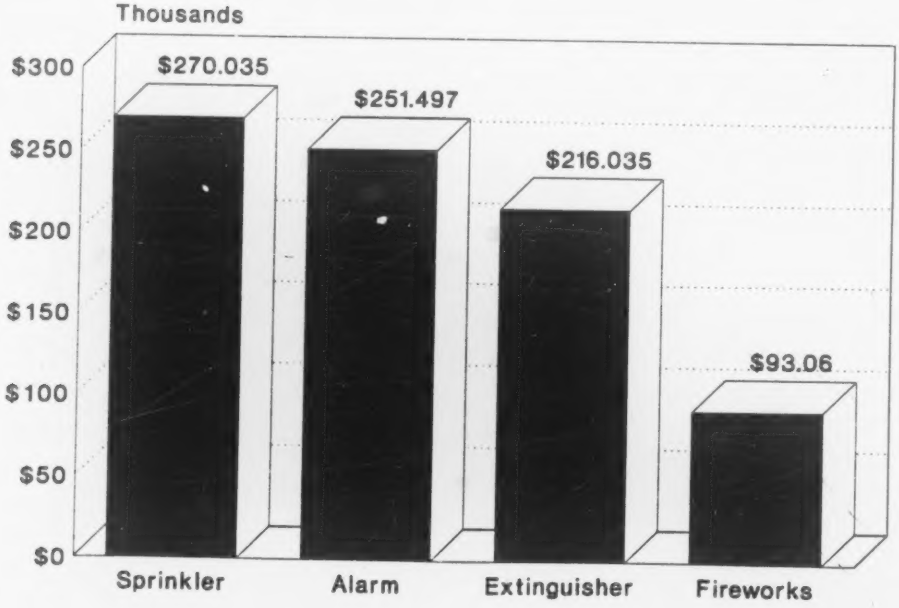


**Figure 70. State Fire Marshal - License Summary**

| Fire Extinguisher | New | Renewal | Total |
|---|---|---|---|
| Certificates of Registration (CR) | 46 | 249 | 295 |
| Branch Office CR | 12 | 35 | 47 |
| Hydrostatic Testing CR | 9 | 43 | 52 |
| Licenses (Type A and B) | 210 | 900 | 1,110 |
| Licenses (Type PL) | 14 | 2 | 16 |
| Apprentice Permits | 82 | -- | 82 |
| Subtotals | 373 | 1,229 | 1,602 |
| **Fire Alarm** | | | |
| Certificates of Registration (CR) | 60 | 209 | 269 |
| Branch Office CR | 13 | 58 | 71 |
| Technician Licenses | 397 | 458 | 855 |
| Planning Superintendent Licenses | 236 | 29 | 265 |
| Subtotals | 706 | 754 | 1,460 |
| **Fire Sprinkler** | | | |
| Certificates of Registration (CR) | 20 | 100 | 120 |
| RME Licenses | 27 | 146 | 173 |
| Subtotals | 47 | 246 | 293 |
| **Fireworks** | | | |
| Manufacturer's Licenses | -- | 1 | 1 |
| Distributor's Licenses | 1 | 19 | 20 |
| Jobber's Licenses | 5 | 12 | 17 |
| Importer's Licenses | 4 | 20 | 24 |
| Pyrotechnic Operator's Licenses | 30 | 370 | 400 |
| Display Licenses | 1 | 3 | 4 |
| Display Permits | 341 | -- | 341 |
| Retail Permits | 4,328 | -- | 4,328 |
| Agricultural Industrial or Wildlife Control Permits | 1 | -- | 1 |
| Subtotals | 4,711 | 425 | 5,136 |
| GRAND TOTALS | 5,837 | 2,654 | 8,491 |

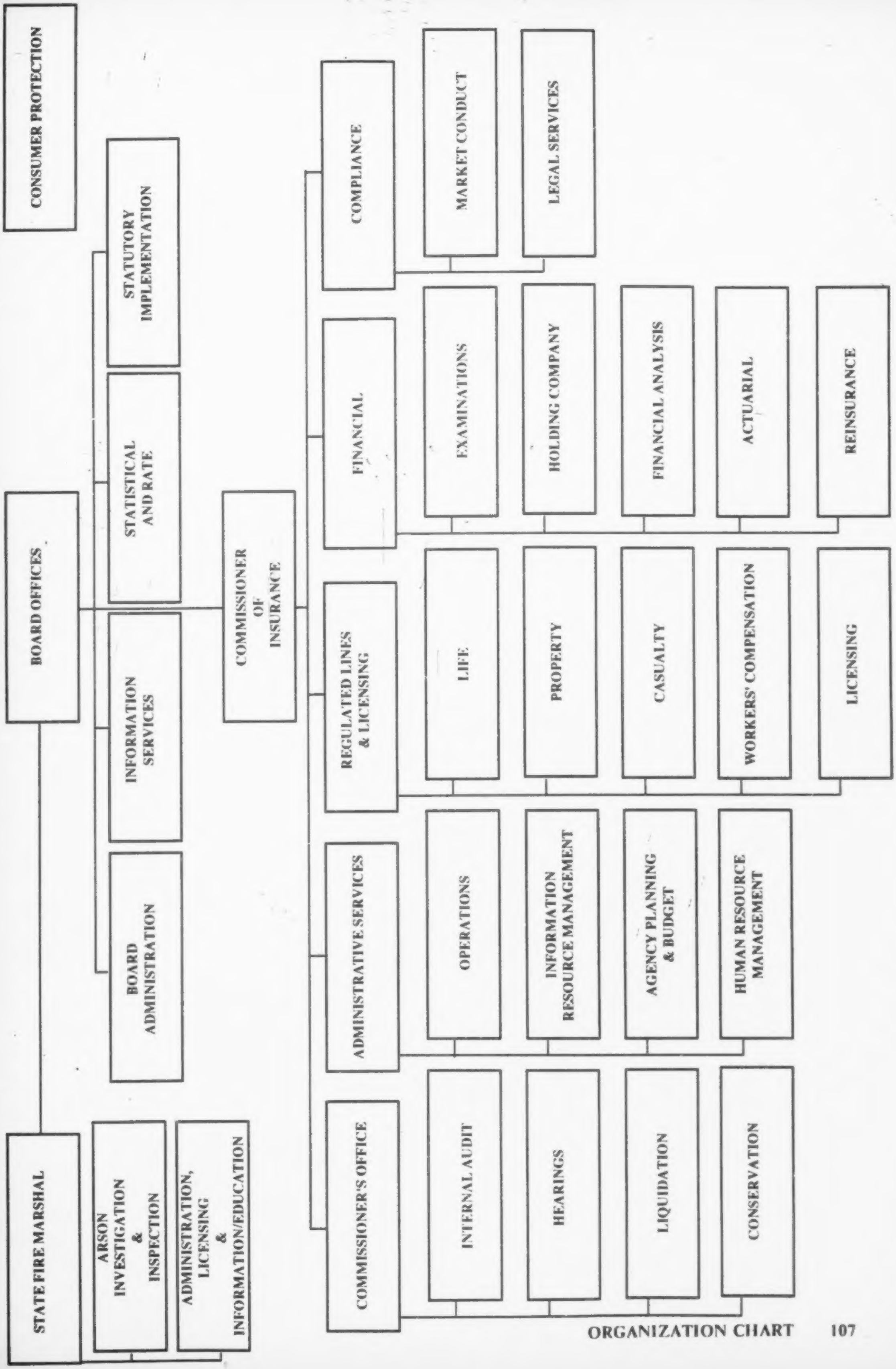
**Figure 71. State Fire Marshal - Examination and Renewal Notices**

| | Examinations | Renewal Notices |
|---|---|---|
| Fire Extinguisher | 864 | 1,111 |
| Fire Alarm | 1,430 | 1,050 |
| Fire Sprinkler | 24 | 225 |
| Fireworks | 30 | 456 |
| TOTALS | 2,348 | 2,842 |

**Figure 72. State Fire Marshal - Licensing Investigations and Disciplinary Actions**

| | Fire Alarm | Fire Extinguisher | Fire Sprinkler | Fire-Works | Total | FY '89 Totals |
|---|---|---|---|---|---|---|
| Requests for Investigations | 454 | 220 | 40 | 29 | 743 | 375 |
| Investigations Conducted | 362 | 158 | 26 | 10 | 556 | 286 |
| Follow-up Investigations Conducted | 27 | 30 | 6 | 7 | 70 | 47 |
| Investigation Files Closed | 95 | 89 | 18 | 9 | 211 | 136 |
| Company Inspections Conducted | 10 | 16 | 0 | 329 | 355 | 357 |
| Follow-up Inspections Conducted | 0 | 0 | 0 | 0 | 0 | 21 |
| Inspection Cases Closed | 11 | 25 | 0 | 322 | 358 | 297 |
| Cases Filed for Admin. Action | 157 | 81 | 11 | 9 | 258 | 130 |
| Cases Closed for Admin. Action | 108 | 64 | 3 | 2 | 177 | -- |
| Pre-Hearing Conferences | 10 | 4 | 5 | 0 | 19 | -- |

# ORGANIZATION CHART


CONSUMER PROTECTION
BOARD OFFICES
STATE FIRE MARSHAL
ARSON INVESTIGATION & INSPECTION
ADMINISTRATION, LICENSING & INFORMATION/EDUCATION
BOARD ADMINISTRATION
INFORMATION SERVICES
STATISTICAL AND RATE
STATUTORY IMPLEMENTATION
COMMISSIONER OF INSURANCE
COMMISSIONER'S OFFICE
INTERNAL AUDIT
HEARINGS
LIQUIDATION
CONSERVATION
ADMINISTRATIVE SERVICES
OPERATIONS
INFORMATION RESOURCE MANAGEMENT
AGENCY PLANNING & BUDGET
HUMAN RESOURCE MANAGEMENT
REGULATED LINES & LICENSING
LIFE
PROPERTY
CASUALTY
WORKERS' COMPENSATION
LICENSING
FINANCIAL
EXAMINATIONS
HOLDING COMPANY
FINANCIAL ANALYSIS
ACTUARIAL
REINSURANCE
COMPLIANCE
MARKET CONDUCT
LEGAL SERVICES

August 31, 1990

# PART II: REPORT ON CERTIFICATES OF AUTHORITY ISSUED BY STATE BOARD OF INSURANCE

Figure 73. 10-Year History - Certificates of Authority

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| LIFE/HEALTH | | | | | | | | | | | |
| Domestic | 447 | 456 | 455 | 453 | 492 | 508 | 495 | 474 | 450 | 438 | 409 |
| Foreign | 592 | 616 | 673 | 699 | 711 | 724 | 743 | 759 | 766 | 768 | 759 |
| ***SUB-TOTAL --*** | **1,039** | **1,072** | **1,128** | **1,152** | **1,203** | **1,232** | **1,238** | **1,233** | **1,216** | **1,206** | **1,168** |
| PROPERTY/ CASUALTY | | | | | | | | | | | |
| Domestic | 199 | 223 | 238 | 246 | 270 | 283 | 287 | 290 | 293 | 288 | 279 |
| Foreign | 553 | 584 | 644 | 670 | 702 | 726 | 735 | 738 | 746 | 743 | 755 |
| ***SUB-TOTAL --*** | **752** | **807** | **882** | **916** | **972** | **1,009** | **1,022** | **1,028** | **1,039** | **1,031** | **1,034** |
| OTHER | | | | | | | | | | | |
| Domestic | 11 | 9 | 12 | 13 | 13 | 17 | 25 | 33 | 36 | 73 | 128 |
| Foreign | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34 | 121 |
| ***SUB-TOTAL --*** | ***11*** | ***9*** | ***12*** | ***13*** | ***13*** | ***17*** | ***25*** | ***33*** | ***36*** | ***107*** | ***249*** |
| ***GRAND TOTAL --*** | **1,802** | **1,888** | **2,022** | **2,081** | **2,188** | **2,258** | **2,285** | **2,294** | **2,291** | **2,344** | **2,451** |

***Life/Health*** includes: Stock Life, Mutual Life, Stipulated Premium, Non-profit Life Insurance, Fraternals, Statewide Mutual Assessment Life Accident & Health, Local Mutual Aid, Local Mutual Burial, Exempt Associations, Non-Profit Hospital Service Corporation.

***Property/Casualty*** includes: Stock Fire, Stock Fire & Casualty, Mutual Fire & Casualty, Stock Casualty, Mexican Casualty, Lloyds, Reciprocals, Title, Risk Retention Groups, County Mutuals, Farm Mutuals.

***Other*** includes: Non-Profit Legal Services Corporations and Health Maintenance Organizations (HMOs). Beginning Fiscal Year 1988 added Continuing Care Retirement Communities (CCRCs), and beginning Fiscal Year 1989 added Third-Party Administrators.

**Figure 74. Certificates of Authority By Type as of August 31, 1990**

| | DOMESTIC | FOREIGN | TOTAL |
|---|---|---|---|
| Stock Life Insurance Companies | 272 | 647 | 919 |
| Mutual Life Insurance Companies | 3 | 83 | 86 |
| Stipulated Premium Life Insurance Companies | 67 | 0 | 67 |
| Non-Profit Life Insurance Companies | 0 | 1 | 1 |
| Stock Fire Insurance Companies | 1 | 8 | 9 |
| Stock Fire & Casualty Insurance Companies | 111 | 588 | 699 |
| Mutual Fire & Casualty Insurance Companies | 8 | 65 | 73 |
| Stock Casualty Insurance Companies | 5 | 54 | 59 |
| Mexican Casualty Insurance Companies | 0 | 9 | 9 |
| Lloyds | 86 | 1 | 87 |
| Reciprocal Exchanges | 12 | 14 | 26 |
| Fraternal Benefit Societies | 12 | 28 | 40 |
| Title Insurance Companies | 6 | 16 | 22 |
| Non-Profit Legal Services Corporations | 1 | 0 | 1 |
| Health Maintenance Organizations | 33 | 1 | 34 |
| Risk Retention Groups | 2 | 0 | 2 |
| Third Party Administrators | 79 | 118 | 197 |
| Continuing Care Retirement Communities | 15 | 2 | 17 |
| TOTAL | 713 | 1,635 | 2,348 |
| Statewide Mutual Assessment Life, Accident and Health Insurance Companies | 2 | | 2 |
| Local Mutual Aid Associations | 27 | | 27 |
| Local Mutual Burial Associations | 11 | | 11 |
| Exempt Associations | 14 | | 14 |
| Non-Profit Hospital Service Corporations | 1 | | 1 |
| County Mutual Fire Insurance Companies | 24 | | 24 |
| Farm Mutual Fire Insurance Companies | 24 | | 24 |
| TOTAL | 103 | | 103 |
| GRAND TOTAL | 816 | 1,635 | 2,451 |

**Figure 75. Certificates of Authority by Category As of August 31, 1990**

| | DOMESTIC | FOREIGN | TOTAL |
|---|---|---|---|
| Property/Casualty Company | 279 | 755 | 1,034 |
| Life/Health Company | 409 | 759 | 1,168 |
| Other | 128 | 121 | 249 |
| TOTAL | 816 | 1,635 | 2,451 |

**Figure 76. Reconciliation of Certificates of Authority**

| | |
|---|---|
| Licensed as of August 31, 1989 | 2,344 |
| Organized or Licensed During Year | 192 |
| Less Reinsured, Merged, Withdrawn, Cancelled, Dissolved, Redomesticated, Domesticated or Placed in Permanent Receivership | 85 |
| August 31, 1990 | 2,451 |

**Figure 77. Certificate of Authority Issued September 1, 1989 and August 31, 1990**

| | DOMESTIC | FOREIGN | TOTAL |
|---|---|---|---|
| Stock Life Insurance Companies | 0 | 14 | 14 |
| Stipulated Premium Ins. Companies | 2 | 0 | 2 |
| Mutual Life Insurance Companies | 0 | 1 | 1 |
| Stock Fire & Casualty Ins. Companies | 1 | 15 | 16 |
| Mutual Fire & Casualty Ins. Companies | 0 | 1 | 1 |
| Stock Casualty Insurance Companies | 0 | 5 | 5 |
| Lloyds | 1 | 0 | 1 |
| Reciprocals | 0 | 2 | 2 |
| Title Insurance Companies | 0 | 1 | 1 |
| Health Maintenance Organizations | 1 | 0 | 1 |
| Continuing Care Retirement Communities | 4 | 0 | 4 |
| Third-Party Administrators | 56 | 88 | 144 |
| TOTAL | 65 | 127 | 192 |

## New Domestic Companies Organized in Texas Between September 1, 1989 and August 31, 1990

| *Date Licensed* | *Stipulated Premium Insurance Companies* |
|---|---|
| **12-28-89** | Mission American Life Insurance Company<br>Houston, Texas |
| **11-03-89** | United Funeral Directors Benefit Life Insurance Company<br>Wichita Falls, Texas |

| *Date Licensed* | *Stock Fire and Casualty Insurance Companies* |
|---|---|
| **12-22-89** | Financial Casualty & Surety, Inc.<br>Dallas, Texas |

| *Date Licensed* | *Lloyds* |
|---|---|
| **03-13-90** | Montfort Lloyd's Insurance Company<br>Dallas, Texas |

| *Date Licensed* | *Health Maintenance Organizations* |
|---|---|
| **11-16-89** | United Healthcare Dental, Inc.<br>Houston, Texas |

| *Date Licensed* | *Continuing Care Retirement Communities* |
|---|---|
| **10-19-89** | First Baptist/Amarillo Foundation<br>dba Park Place Towers<br>Amarillo, Texas |
| **09-07-89** | Golden Palms Retirement & Health Center<br>Harlingen, Texas |
| **01-24-90** | High Plains Baptist Hospital<br>dba Park Place Towers<br>Amarillo, Texas |
| **11-10-89** | Presbyterian Village North, Inc.<br>dba Presbyterian Village North<br>Dallas, Texas |

| *Date Licensed* | *Third-Party Administrators* |
|---|---|
| **08-16-90** | American Managing Company<br>Houston, Texas |
| **11-03-89** | Associated Administrators Group, Inc.<br>Dallas, Texas |
| **06-15-90** | Association Risk Management General Agency, Inc.<br>dba Association Risk Management<br>Austin, Texas |
| **03-16-90** | Associations Combined Trust Management Corporation<br>Dallas, Texas |

| | |
|---|---|
| 05-03-90 | Austin Administrators Group, Inc.<br>Austin, Texas |
| 01-05-90 | Behrens, Inc.<br>Waco, Texas |
| 03-16-90 | Boon-Chapman Benefit Administrator, Inc.<br>Austin, Texas |
| 08-23-90 | Burk & Associates, Inc.<br>San Antonio, Texas |
| 12-11-89 | Claim Processors of America, Inc.<br>Houston, Texas |
| 02-15-90 | Donovan Benefit Systems, Inc.<br>Houston, Texas |
| 04-05-90 | Employer Administrative Services, Inc.<br>San Antonio, Texas |
| 04-05-90 | EMS Administrative Services Corp.<br>Fort Worth, Texas |
| 05-17-90 | Emshare Benefit Administrators, Inc.<br>Austin, Texas |
| 12-22-89 | Flex Corp<br>Houston, Texas |
| 05-02-90 | Fund Administrators of Texas, Inc.<br>Houston, Texas |
| 04-05-90 | Group & Pension Administrators, Inc.<br>Dallas, Texas |
| 06-01-90 | Group Administrators, Inc.<br>Dallas, Texas |
| 06-01-90 | Group Administrators-San Antonio, Inc.<br>San Antonio, Texas |
| 11-17-89 | Health Administration Services, Inc.<br>Houston, Texas |
| 02-07-90 | Health Network, Inc.<br>Houston, Texas |
| 07-25-90 | Howard McElroy & Associates, P.C.<br>New Braunfels, Texas |
| 06-15-90 | Insurance Consulting and Claim Services, Inc.<br>Arlington, Texas |
| 06-15-90 | Insurance Marketing Resources, Inc.<br>Lubbock, Texas |
| 01-31-90 | JEHE, Inc.<br>San Antonio, Texas |
| 12-11-89 | Kidel and Associates, Inc.<br>San Antonio, Texas |
| 01-31-90 | Life & Health Associates, Inc.<br>Houston, Texas |

| | |
|---|---|
| 11-08-89 | Management Underwriters Corporation<br>Bedford, Texas |
| 07-16-90 | N. Kris Kolliner-Kelly<br>dba Koll-Med<br>El Paso, Texas |
| 02-15-90 | National Employee Benefit Administrators, Inc.<br>Houston, Texas |
| 01-05-90 | National Insurance Group, Inc.<br>Pasadena, Texas |
| 06-22-90 | Network Administrators, Inc.<br>Dallas, Texas |
| 05-02-90 | NHA Administrators, Inc.<br>Houston, Texas |
| 06-12-90 | North Texas Healthcare Network<br>Irving, Texas |
| 05-17-90 | Paid Dental Administrators, Inc.<br>Austin, Texas |
| 06-01-90 | Partners National Health Plans<br>Irving, Texas |
| 03-13-90 | Pat Haney and Son Administrators, Inc.<br>Dallas, Texas |
| 12-11-89 | Pension Consultants & Administrators, Inc.<br>Austin, Texas |
| 12-05-89 | Producers Exchange Benefit Services, Inc.<br>Dallas, Texas |
| 03-02-90 | Risk Funding Alternatives, Inc.<br>Tyler, Texas |
| 11-03-89 | Riskshare, Inc.<br>Dallas, Texas |
| 02-15-90 | Ronald Ray Romack<br>Houston, Texas |
| 03-02-90 | Ry-Ron, Inc.<br>Houston, Texas |
| 02-15-90 | Script Care, Inc.<br>Beaumont, Texas |
| 06-12-90 | Singer Automotive Financial Group, Inc.<br>Dallas, Texas |
| 05-02-90 | Southern Benefit Consultants, Inc.<br>Irving, Texas |
| 03-13-90 | Southwest Business Corporation<br>San Antonio, Texas |
| 01-31-90 | Southwestern Underwriters Agency, Inc.<br>Dallas, Texas |

| | |
|---|---|
| **08-16-90** | Ted L. Parker & Associates, Inc.<br>dba Parker & Associates<br>Lubbock, Texas |
| **08-24-90** | Texas Benefit Services<br>San Antonio, Texas |
| **10-31-89** | Texas EBA, Inc.<br>Dallas, Texas |
| **06-01-90** | Travelers Plan Administrators of Texas, Inc., The<br>Dallas, Texas |
| **01-24-90** | TRE, Inc.<br>Pasadena, Texas |
| **12-05-89** | ULS, Inc.<br>Carrollton, Texas |
| **11-03-89** | Unisource Benefits, Inc.<br>Beaumont, Texas |
| **02-15-90** | Warren Employee Benefits Company, Inc.<br>Dallas, Texas |
| **06-22-90** | White & Zesch Administrators, Inc.<br>San Angelo, Texas |

## New Foreign Companies Admitted to Texas Between September 1, 1989 and August 31, 1990

| *Date Licensed* | *Stock Life Insurance Companies* |
|---|---|
| **06-15-90** | Aetna Insurance Company of America<br>Hartford, Connecticut |
| **07-31-90** | ATL Life Insurance Company<br>Assumed Name of American Travellers Life Insurance Company<br>Warrington, Pennsylvania |
| **11-22-89** | Canada Life Insurance Company of America<br>Lansing, Michigan |
| **02-05-90** | Cigna Life Insurance Company<br>Bloomfield, Connecticut |
| **12-28-89** | Hudson Life Reassurance Corporation<br>Shelton, Connecticut |
| **03-13-90** | J. C. Penney Reinsurance Company<br>Phoenix, Arizona |
| **05-10-90** | J.M.I.C. Life Insurance Company<br>Deerfield Beach, Florida |
| **07-02-90** | Kanawha Insurance Company<br>Lancaster, South Carolina |
| **07-16-90** | Koln Life Insurance Company<br>Scottsdale, Arizona |
| **08-24-90** | Nylife Insurance Company of Arizona<br>Scottsdale, Arizona |
| **12-29-89** | Pacific Standard Life Insurance Company<br>Davis, California |
| **08-10-90** | Reassurance Corporation of Delaware<br>Wilmington, Delaware |
| **02-07-90** | Security National Life Insurance Company<br>Salt Lake City, Utah |
| **03-13-90** | Superior Life Insurance Company<br>Charlotte, North Carolina |

| *Date Licensed* | *Mutual Life Insurance Companies* |
|---|---|
| **07-16-90** | Grange Mutual Life Company<br>Nampa, Idaho |

| *Date Licensed* | *Stock Fire & Casualty Insurance Companies* |
|---|---|
| **06-15-90** | Aetna Casualty Company of Connecticut<br>Hartford, Connecticut |
| **07-05-90** | Aetna Commercial Insurance Company<br>Hartford, Connecticut |

| | |
|---|---|
| **06-15-90** | Aetna Insurance Company<br>Hartford, Connecticut |
| **07-16-90** | Aetna Personal Security Insurance Company<br>Hartford, Connecticut |
| **11-22-89** | C. E. Heath Compensation and Liability Insurance Company<br>Wilmington, Delaware |
| **07-25-90** | First Liberty Insurance Corporation, The<br>West Des Moines, Iowa |
| **08-24-90** | Home Insurance Company of Wisconsin, The<br>Brookfield, Wisconsin |
| **07-25-90** | LM Insurance Corporation<br>West Des Moines, Iowa |
| **05-17-90** | NN Insurance Company<br>Brookfield, Wisconsin |
| **03-30-90** | Northern Assurance Company of America, The<br>Boston, Massachusetts |
| **02-15-90** | Phoenix Reinsurance Company<br>Hartford, Connecticut |
| **08-07-90** | Pinnacle Insurance Company<br>Carrollton, Georgia |
| **08-24-90** | PMA Reinsurance Corporation<br>Philadelphia, Pennsylvania |
| **06-06-90** | Vesta Insurance Corporation<br>Birmingham, Alabama |
| **12-19-89** | Winterthur Reinsurance Corporation of America<br>New York, New York |

| *Date Licensed* | *Mutual Fire and Casualty Insurance Companies* |
|---|---|
| **10-19-89** | Safety Mutual Casualty Corporation<br>St. Louis, Missouri |

| *Date Licensed* | *Stock Casualty Insurance Companies* |
|---|---|
| **07-05-90** | Aetna Casualty Company<br>Middletown, Connecticut |
| **05-17-90** | Old Republic Surety Company<br>Brookfield, Wisconsin |
| **07-19-90** | Professional Medical Insurance Company<br>Kansas City, Missouri |
| **08-31-90** | Progressive Southeastern Insurance Company<br>Tampa, Florida |
| **08-07-90** | Victore Insurance Company<br>Oklahoma City, Oklahoma |

| *Date Licensed* | *Reciprocals* |
|---|---|
| **05-17-90** | Doctors' Company, An Interinsurance Exchange, The<br>Santa Monica, California |
| **02-05-90** | National Insurance Association<br>Indianapolis, Indiana |

| *Date Licensed* | *Title Insurance Companies* |
|---|---|
| **09-07-89** | TRW Title Insurance Company<br>Overland Park, Kansas |

| *Date Licensed* | *Third Party Administrators* |
|---|---|
| **12-11-89** | ABI Administrative Services Corporation<br>Minnetonka, Minnesota |
| **10-31-89** | Acordia Collegiate Benefits, Inc.<br>Indianapolis, Indiana |
| **10-31-89** | Acordia Financial Industry Benefits, Inc.<br>Indianapolis, Indiana |
| **10-02-89** | Acordia Local Government Benefits, Inc.<br>Indianapolis, Indiana |
| **10-31-89** | Acordia Personal Benefits, Inc.<br>Indianapolis, Indiana |
| **10-31-89** | Acordia School Benefits, Inc.<br>Indianapolis, Indiana |
| **10-31-89** | Acordia Senior Benefits, Inc.<br>Indianapolis, Indiana |
| **10-31-89** | Acordia Small Business Benefits, Inc.<br>Indianapolis, Indiana |
| **05-17-90** | Adjustco, Inc.<br>Walnut Creek, California |
| **05-17-90** | Administrative Management Group, Inc., The<br>Arlington Heights, Illinois |
| **01-31-90** | Agency Services, Inc.<br>Memphis, Tennessee |
| **01-05-90** | AIM Administrators, Inc.<br>Phoenix, Arizona |
| **10-31-89** | Albert H. Wohlers & Co.<br>Park Ridge, Illinois |
| **05-03-90** | Allied Administrators<br>Kansas City, Missouri |
| **10-31-89** | American Administrators, Inc.<br>Omaha, Nebraska |
| **06-22-90** | American Benefit Administrative Services, Inc.<br>Naperville, Illinois |

| | |
|---|---|
| **12-11-89** | American Benefit Plan Administrators, Inc.<br>El Monte, California |
| **05-17-90** | American General Group Services Corporation<br>Jacksonville, Florida |
| **05-17-90** | American Life Pension Health Associates Company<br>Baton Rouge, Louisiana |
| **10-31-89** | American Medical Security, Inc.<br>Green Bay, Wisconsin |
| **11-17-89** | American Trust Administrators, Inc.<br>Overland Park, Kansas |
| **10-02-89** | Associated Health Plans, Inc. of Louisiana<br>Metairie, Louisiana |
| **07-25-90** | Association & Society Insurance Corporation<br>dba ASI Insurance Services<br>Rockville, Maryland |
| **02-07-90** | Association Consultants, Inc.<br>Chicago, Illinois |
| **10-02-89** | Benefit Administration Services, Ltd.<br>Jackson, Mississippi |
| **07-16-90** | Benefit Data Administrators, Inc.<br>Larkspur, California |
| **08-10-90** | Beneplan Strategies, Inc.<br>dba Beneplan Strategies of Ohio Agency, Inc.<br>Dayton, Ohio |
| **10-06-89** | Brennco Benefit Administrators, Inc.<br>Overland Park, Kansas |
| **08-23-90** | Brokerage Concepts, Inc.<br>dba Benefit Concepts, Inc.<br>King of Prussia, Pennsylvania |
| **04-05-90** | C G Insurance Services, Inc.<br>Covina, California |
| **03-16-90** | Commercial Industrial Administration Company, Incorporated<br>Santa Clara, California |
| **03-16-90** | Confed Admin Services, Inc.<br>Atlanta, Georgia |
| **05-17-90** | Consolidated Administrators, Inc.<br>Raleigh, North Carolina |
| **01-24-90** | Continental Insurance Services, Inc.<br>Brentwood, Tennessee |
| **11-03-89** | Corroon & Black Benefits, Inc.<br>Nashville, Tennessee |
| **12-22-89** | Coverdell & Company, Inc.<br>Atlanta, Georgia |
| **05-17-90** | Dental Benefit Providers, Inc.<br>Bethesda, Maryland |

| | |
|---|---|
| **01-24-90** | Dental Health Administrative and Consulting Services, Inc.<br>Chicago, Illinois |
| **02-15-90** | Dorth Coombs Insurance, Inc.<br>Wichita, Kansas |
| **01-31-90** | Eastern Benefit Systems, Inc.<br>East Orange, New Jersey |
| **03-13-90** | Eliot K. Nymeyer & Associates, Inc.<br>South Holland, Illinois |
| **01-05-90** | Employee Benefit Claims of Wisconsin, Inc.<br>Glendale, Wisconsin |
| **01-05-90** | Employee Benefit Plans of Oklahoma, Inc.<br>dba Lone Star Administrators<br>Tulsa, Oklahoma |
| **10-06-89** | Employee Benefits America Administration Corp.<br>Fountain Valley, California |
| **04-05-90** | Equitable Plan Services, Inc.<br>Oklahoma City, Oklahoma |
| **01-24-90** | FHI Benefit Plans, Inc.<br>San Diego, California |
| **12-22-89** | Financial Dynamics Administrators, Inc.<br>Salt Lake City, Utah |
| **06-22-90** | Financial Insurance Service Consultants, Inc.<br>Naperville, Illinois |
| **11-17-89** | Forrest T. Jones & Company, Inc.<br>Kansas City, Missouri |
| **11-08-89** | Forrest T. Jones Consulting Company<br>Kansas City, Missouri |
| **01-31-90** | Gallagher Bassett Services, Inc.<br>Rolling Meadows, Illinois |
| **12-22-89** | Gates, McDonald & Company<br>Columbus, Ohio |
| **06-12-90** | Genelco, Incorporated<br>St. Louis, Missouri |
| **06-22-90** | Glenn Software Systems, Inc.<br>Southfield, Michigan |
| **04-05-90** | Group Services & Administration, Inc.<br>Oklahoma City, Oklahoma |
| **04-05-90** | Health Care Administrators, Inc.<br>Lafayette, Indiana |
| **05-17-90** | Health Corporation of America<br>Berwyn, Pennsylvania |
| **05-17-90** | Health Special Risk, Inc.<br>St. Louis, Missouri |

| | |
|---|---|
| **05-03-90** | Insurance Management Administrators of Louisiana, Inc.<br>Shreveport, Louisiana |
| **03-02-90** | Insurers Administrative Corporation<br>Phoenix, Arizona |
| **01-24-90** | International Benefit Services Corporation<br>Wilmington, Delaware |
| **04-05-90** | John P. Pearl & Associates, Ltd.<br>Peoria, Illinois |
| **06-15-90** | Johnson Brokers and Administrators, Inc.<br>Tulsa, Oklahoma |
| **02-15-90** | Key Benefit Administrators, Inc.<br>Indianapolis, Indiana |
| **07-16-90** | Lytle Associates Healthcare Reimbursement Corp.<br>Grand Island, New York |
| **11-17-89** | Madison Benefit Administrators, Inc.<br>Charlotte, North Carolina |
| **10-06-89** | Maginnis & Associates, Inc.<br>Chicago, Illinois |
| **11-08-89** | Managed Care Administrators, Inc.<br>Tulsa, Oklahoma |
| **05-17-90** | Marketing Through Production, Inc.<br>Brentwood, Tennessee |
| **02-15-90** | Medical Insurance Administrators of Texas, Inc.<br>Fort Lauderdale, Florida |
| **05-17-90** | Members Service Life Insurance Company<br>dba MSLI<br>Tulsa, Oklahoma |
| **05-17-90** | National Benefits Corporation<br>Horsham, Pennsylvania |
| **01-24-90** | National Insurance Services, Inc.<br>Tampa, Florida |
| **03-02-90** | National Premium and Benefit Administration Co.<br>St. Louis, Missouri |
| **10-06-89** | National Student Services, Inc.<br>Devon, Pennsylvania |
| **07-25-90** | North American Insurance Administrators, Inc.<br>Phoenix, Arizona |
| **12-11-89** | Paul Burke and Associates, Inc.<br>Minneapolis, Minnesota |
| **12-05-89** | Pilgrim Health Application, Inc.<br>Lowell, Massachusetts |
| **05-17-90** | Plan Services, Inc.<br>Tampa, Florida |

| | |
|---|---|
| 11-17-89 | Professional Administrators Limited - Pension and Group Consultants, Inc.<br>Lexington, Kentucky |
| 04-05-90 | Randmark Management, Inc.<br>Washington, D.C. |
| 03-13-90 | Rollins Burdick Hunter of Illinois, Inc.<br>Chicago, Illinois |
| 04-05-90 | Scarborough & Company<br>Chicago, Illinois |
| 01-31-90 | Selecflex, Inc.<br>Decatur, Alabama |
| 02-15-90 | Smith-Sternau Organization, Inc.<br>Washington, D.C. |
| 06-12-90 | Usamerica Insurance Administrators, Inc.<br>Irvine, California |
| 12-05-89 | Vision Financial Corporation<br>Keene, New Hampshire |
| 03-16-90 | William P. Northey Company<br>Bloomingdale, Illinois |

# Companies Reinsured, Merged, Dissolved, Withdrawn, Canceled, Redomesticated, Domesticated or Placed in Permanent Receivership

Between September 1, 1989 and August 31, 1990

**Figure 78. Totals-Companies Reinsured, Merged, Dissolved, Withdrawn, Cancelled, Redomesticated, Domesticated, Placed in Permanent Receivership**

| | Reinsured or Merged | Dissolved Withdrawn or Cancelled | Redomesticated or Domesticated | Permanent Receivership* | TOTAL |
|---|---|---|---|---|---|
| DOMESTIC COMPANIES | | | | | |
| Stock Life | 12 | 3 | | 3 | 18 |
| Stock Fire & Casualty | 1 | 1 | 1 | 2 | 5 |
| Lloyds | 1 | 1 | | 2 | 4 |
| Reciprocals | 1 | | | | 1 |
| Health Maintenance Organization | 1 | 2 | | 1 | 4 |
| Third Party Admin. | 1 | | | | 1 |
| Continuing Care Retirement Community | | 1 | | | 1 |
| Local Mutual Aid | 9 | | | | 9 |
| Local Mutual Burial | 4 | | | | 4 |
| Farm Mutual | | | | 1 | 1 |
| TOTAL | 30 | 8 | 1 | 9 | 48 |
| FOREIGN COMPANIES | | | | | |
| Stock Life | 2 | 12 | 2 | 6 | 22 |
| Mutual Life | 2 | | | | 2 |
| Stock Fire & Casualty | | 3 | 2 | 4 | 9 |
| Mutual Fire & Casualty | | 1 | | | 1 |
| Stock Casualty | | | | 1 | 1 |
| Reciprocals | 1 | | | | 1 |
| Third Party Admin. | 1 | | | | 1 |
| TOTAL | 6 | 16 | 4 | 11 | 37 |
| GRAND TOTAL | 36 | 24 | 5 | 20 | 85 |

* *The Certificate of Authority of a company that was placed in permanent receivership is not automatically cancelled. The receiver may at anytime cancel the Certificate of Authority. The receiver has cancelled these Certificates of Authority.*

## Domestic Companies Reinsured, Merged, Dissolved, Withdrawn, Canceled, Redomesticated, Domesticated, Placed In Permanent Receivership

Between September 1, 1989 and August 31, 1990

Alliance Health Plan, Inc., Houston, Texas, (Health Maintenance Organization) voluntarily dissolved, (06-06-90)

Alliance Health Plan of Fort Worth, Inc., Fort Worth, Texas, (Health Maintenance Organization) voluntarily dissolved, (04-24-90)

Alliance National Insurance Company, Houston, Texas, (Stock Life) voluntarily dissolved, (12-28-89)

American Excel Lloyd's Insurance Company, Dallas, Texas, (Lloyds) voluntarily dissolved, (10-05-89)

American Funeral Service Association, Atlanta, Texas, (Local Mutual Aid) reinsured by American Funeral Plan and Life Insurance Company, Atlanta, Texas, (Stipulated Premium) (11-30-89)

American Military Life Insurance Company, Dallas, Texas, (Stock Life) voluntarily dissolved, (08-16-90)

Association Risk Management, Austin, Texas, (Third Party Administrator) all contracts conveyed to Association Risk Management General Agency, Inc. (Doing Business as Association Risk Management), Austin, Texas, (Third Party Administrator) (08-10-90)

Atlanta Burial Association, Atlanta, Texas, (Local Mutual Burial) reinsured by American Funeral Plan and Life Insurance Company, Atlanta, Texas, (Stipulated Premium) (11-30-89)

Bankers Service Life Insurance Company, Dallas, Texas, (Stock Life) reinsured by Texas Central Life Insurance Company, Dallas, Texas, (Stock Life) (08-31-90)

Bluff Farmers Mutual Insurance Company, Austin, Texas, (Farm Mutual) placed in permanent receivership in Texas and license cancelled, (08-01-88*)

Broadway Life Insurance Company, Wichita Falls, Texas, (Stock Life) reinsured by Great Midwest Life Insurance Company, Dallas, Texas, (Stock Life) (03-23-90)

BSC Life Insurance Company, Dallas, Texas, (Stock Life) reinsured by Gulf Atlantic Life Insurance Company, Dallas, Texas, (Stock Life) (06-15-90)

D & M Life Insurance Company, Arlington, Texas, (Stock Life) reinsured by Enterprise Life Insurance Company, Arlington, Texas, (Stock Life) (02-27-90)

East Texas Health Plan, Inc., Tyler, Texas, (Health Maintenance Organization) placed in permanent receivership in Texas and license cancelled, (06-22-88*)

Equities International Life Insurance Company, Fort Worth, Texas, (Stock Life) merged into Citizens Insurance Company of America, Englewood, Colorado, (Stock Life) (01-31-90)

Eureka Life Insurance Company of America, Wichita Falls, Texas, (Stock Life) reinsured by Reserve Life Insurance Company, Dallas, Texas, (Stock Life) (06-27-90)

Fireside Burial Association, Houston, Texas, (Local Mutual Burial) reinsured by Texas Funeral Insurance Company, Austin, Texas, (Stipulated Premium) (10-31-89)

First Baptist/Amarillo Foundation (Doing Business as Park Place Towers), Amarillo, Texas, (Continuing Care Retirement Community) Certificate of Authority cancelled and transferred to High Plains Baptist Hospital (Doing Business as Park Place Towers), Amarillo, Texas, (Continuing Care Retirement Community) (01-24-90)

Freund Funeral Insurance Company, Cuero, Texas, (Local Mutual Aid) reinsured by Texas Funeral Insurance Company, Austin, Texas, (Stipulated Premium) (02-26-90)

Gipson Insurance Company, Lufkin, Texas, (Local Mutual Aid) reinsured by Gipson Life Insurance Company, Lufkin, Texas, (Stipulated Premium) (02-15-90)

Great Coast Life Insurance Company, Olmos Park, Texas, (Stock Life) reinsured by American Industries Life Insurance Company, Houston, Texas, (Stock Life) (06-01-90)

Great Southern Fire and Casualty Insurance Company, Yoakum, Texas, (Stock Fire & Casualty) reinsured by Southern Lloyds, San Antonio, Texas, (Lloyds) (06-01-90)

Holland-America Lloyds, Houston, Texas, (Lloyds) placed in permanent receivership in Texas and license cancelled, (06-21-88*)

Hopkins County Burial Association, Sulphur Springs, Texas, (Local Mutual Burial) reinsured by Hopkins County Life Insurance Company, Austin, Texas, (Stipulated Premium) (03-30-90)

Hopkins County Mutual Association, Sulphur Springs, Texas, (Local Mutual Aid) reinsured by Hopkins County Life Insurance Company, Austin, Texas, (Stipulated Premium) (03-30-90)

Houston United Life Insurance Company, Houston, Texas, (Stock Life) reinsured by Gulf Atlantic Life Insurance Company, Dallas, Texas, (Stock Life) (09-07-89)

International Fidelity Life Insurance Company, Fort Worth, Texas, (Stock Life) placed in permanent receivership in Texas and license cancelled, (04-10-88*)

Jones Funeral Insurance Company, Commerce, Texas, (Local Mutual Aid) reinsured by Landmark Life Insurance Company, Brownwood, Texas, (Stipulated Premium) (12-18-89)

Littlepage Burial Association, Mart, Texas, (Local Mutual Burial) reinsured by Southern Medical Life Insurance Company, Waco, Texas, (Stipulated Premium) (10-19-89)

Mart Insurance Company, Mart, Texas, (Local Mutual Aid) reinsured by Southern Medical Life Insurance Company, Waco, Texas, (Stipulated Premium) (09-07-89)

McCrary-Edwards-Cain Benefit Association, Winnsboro, Texas, (Local Mutual Aid) reinsured by Landmark Life Insurance Company, Brownwood, Texas, (Stipulated Premium) (05-02-90)

Non Commissioned Officers Automobile Association, San Antonio, Texas, (Reciprocal) reinsured by American International Insurance Company, New York, New York, (Stock Fire & Casualty) (09-01-89)

Peoples Life Insurance Company, Houston, Texas, (Stock Life) reinsured by Life of America Insurance Company, Houston, Texas, (Stock Life) (07-19-90)

Planet Indemnity Company, Houston, Texas, (Stock Fire & Casualty) redomesticated to Denver, Colorado, (12-27-89)

Preferred Employers Insurance Company, Houston, Texas, (Stock Fire & Casualty) placed in permanent receivership in Texas and license cancelled, (11-30-87*)

Premier National Life Insurance Company, Dallas, Texas, (Stock Life) placed in permanent receivership in Texas and license cancelled, (01-20-88*)

Red River Valley Life Insurance Company, Clarksville, Texas, (Local Mutual Aid) reinsured by American Surety Life Insurance Company, Austin, Texas, (Stipulated Premium) (08-24-90)

Security Capital Lloyd's, Houston, Texas, (Lloyds) reinsured by Commercial Lloyd's Insurance Company, Dallas, Texas, (Lloyds) (01-24-90)

Share Health Plan of Texas, Inc., Austin, Texas, (Health Maintenance Organization) reinsured by Texas Health Plans, Inc., Austin, Texas, (Health Maintenance Organization) (01-24-90)

Signal Insurance Lloyds Company, Austin, Texas, (Lloyds) placed in permanent receivership in Texas and license cancelled, (05-11-87*)

T I B Life Insurance Company, Carrollton, Texas, (Stock Life) merged into Service Life and Casualty Insurance Company, Austin, Texas, (Stock Life) (01-24-90)

Texas Dealers Life Insurance Company, Plano, Texas, (Stock Life) reinsured by American National Insurance Company, Galveston, Texas, (Stock Life) (04-02-90)

Texas National Insurance Company, Dallas, Texas, (Stock Fire & Casualty) placed in permanent receivership in Texas and license cancelled, (05-08-89*)

United Benefit Life Insurance Company, Dallas, Texas, (Stock Life) reinsured by Legal Security Life Insurance Company, Mesquite, Texas, (Stock Life) (03-30-90)

United Funeral Directors Benefit Association, Wichita Falls, Texas, (Local Mutual Aid) reinsured by United Funeral Directors Benefit Life Insurance Company, Wichita Falls, Texas, (Stipulated Premium) (01-24-90)

United Savings Life Insurance Company, Austin, Texas, (Stock Life) placed in permanent receivership in Texas and license cancelled, (12-20-89)

Universal Bankers Life Insurance Company of Texas, Georgetown, Texas, (Stock Life) voluntarily dissolved, (10-26-89)

Western General Insurance Company, Houston, Texas, (Stock Fire & Casualty) voluntarily dissolved, (12-11-89)

* Company was actually placed in permanent receivership in Texas in previous fiscal year(s), however, Company License did not receive notification until current fiscal year.

## Foreign Companies Reinsured, Merged, Dissolved, Withdrawn, Canceled, Redomesticated, Domesticated, Placed in Permanent Receivership

Between September 1, 1989 and August 31, 1990

Alabama Reassurance Company, Inc., Tuscaloosa, Alabama, (Stock Life) voluntarily withdrew, (07-31-90)

American Agency Life Insurance Company, Richmond, Virginia, (Stock Life) voluntarily withdrew, (08-31-90)

American Pacific Life Insurance Company of California, San Rafael, California, (Stock Life) merged into The Capitol Life Insurance Company, Denver, Colorado, (Stock Life) (08-16-90)

American Sun Life Insurance Company, Orlando, Florida, (Stock Life) placed in permanent receivership in Texas and license cancelled, (05-08-90)

American Trustee Life Corporation, Oklahoma City, Oklahoma, (Stock Life) placed in liquidation in Oklahoma therefore license cancelled in Texas, (12-19-89)

Canadian Indemnity Company, The, Costa Mesa, California, U.S. Branch of The Canadian Indemnity Company, Winnipeg, Canada, (Stock Fire & Casualty) voluntarily withdrew, (01-31-90)

Canners Exchange Subscribers at Warner Inter-Insurance Bureau, Chicago, Illinois, (Reciprocal) merged into Westwood Insurance Company, Lisle, Illinois, (Stock Fire & Casualty) (10-02-89)

Columbus Mutual Life Insurance Company, Columbus, Ohio, (Stock Life) merged into The Western & Southern Life Insurance Company, Cincinnati, Ohio, (Mutual Life) (10-26-89)

D.B. Life Insurance Company (Assumed Name of Diamond Benefits Life Insurance Company), Phoenix, Arizona, (Stock Life) placed in permanent receivership in Texas and license cancelled, (02-08-90)

Empire Casualty Company, Denver, Colorado, (Stock Casualty) placed in permanent receivership in Texas and license cancelled, (05-12-89*)

Farm & Ranch Life Insurance Company, Inc., Topeka, Kansas, (Stock Life) placed in permanent receivership in Texas and license cancelled, (05-16-88*)

Florida General Life Insurance Company, Coral Gables, Florida, (Stock Life) placed in permanent receivership in Texas and license cancelled, (07-25-88*)

Franklin National Life Insurance Company, Fort Wayne, Indiana, (Stock Life) placed in liquidation in Indiana therefore license cancelled in Texas, (10-11-89)

Galaxia Life Insurance Company, Bossier City, Louisiana, (Stock Life) placed in permanent receivership in Texas and license cancelled, (12-11-89)

Great Atlantic Insurance Company, Wilmington, Delaware, (Stock Fire & Casualty) placed in permanent receivership in Texas and license cancelled, (08-23-90)

Homeland Insurance Company, San Jose, California, (Stock Fire & Casualty) placed in permanent receivership in Texas and license cancelled, (07-20-88*)

Hudson Life Reassurance Corporation, Sarasota, Florida, (Stock Life) redomesticated to Shelton, Connecticut, (12-28-89)

Independent Liberty Life Insurance Company, Grand Rapids, Michigan, (Stock Life) placed in receivership in Michigan therefore license cancelled in Texas, (12-19-89)

Intercontinental Insurance Company, Chicago, Illinois, (Stock Fire & Casualty) placed in permanent receivership in Texas and license cancelled, (07-26-90)

John O. Felker Benefit Services, St. Louis, Missouri, (Third Party Administrator) acquired by Johnson, Higgins, Kirke-Van Orsdel, Des Moines, Iowa, (Third Party Administrator) (07-16-90)

Life of Montana Insurance Company, Bozeman, Montana, (Stock Life) placed in liquidation in Montana therefore license cancelled in Texas, (12-19-89)

Lumbermens Life Insurance Company, Indianapolis, Indiana, (Stock Life) placed in permanent ancillary receivership in Texas and license cancelled, (05-12-89*)

Manhattan Mutual Life Insurance Company, The, Manhattan, Kansas, (Mutual Life) merged into State Mutual Insurance Company, Rome, Georgia, (Mutual Life) (06-21-90)

Mercury National Life Insurance Company, Norman, Oklahoma, (Stock Life) placed in receivership in Oklahoma therefore license cancelled in Texas, (10-11-89)

Modern Pioneers Life Insurance Company, Phoenix, Arizona, (Stock Life) placed in receivership in Arizona therefore license cancelled in Texas, (08-16-90)

Northern Assurance Company of America, The, Rutland, Vermont, (Stock Fire & Casualty) redomesticated to Boston, Massachusetts, (03-30-90)

Pacific Marine Insurance Company, Seattle, Washington, (Stock Fire & Casualty) placed in permanent receivership in Texas and license cancelled, (08-14-90)

Pacific Standard Life Insurance Company, Phoenix, Arizona, (Stock Life) redomesticated to Davis, California, (12-29-89)

Presidio Insurance Company, Indianapolis, Indiana, (Stock Fire & Casualty) placed in liquidation in Indiana therefore license cancelled in Texas, (12-19-89)

Quaker Life Insurance Company, Tulsa, Oklahoma, (Stock Life) placed in receivership in Oklahoma therefore license cancelled in Texas, (12-19-89)

Quincy Mutual Fire Insurance Company, Quincy, Massachusetts, (Mutual Fire & Casualty) voluntarily withdrew, (09-20-89)

Standard Mutual Life Insurance Company, Lawrence, Kansas, (Mutual Life) merged into State Mutual Insurance Company, Rome, Georgia, (Mutual Life) (01-24-90)

State Farm Annuity and Life Insurance Company, Bloomington, Illinois, (Stock Life) voluntarily withdrew, (06-21-90)

Sunburst Life Insurance Company (Assumed Name of Sunbelt Life Insurance Company), Atlanta, Georgia, (Stock Life) voluntarily withdrew, (05-02-90)

SWICO Insurers (Assumed Name of Southwestern Insurance Company), Oklahoma City, Oklahoma, (Stock Fire & Casualty) placed in liquidation in Oklahoma therefore license cancelled in Texas, (12-11-89)

United Equity Life Insurance Company, Oklahoma City, Oklahoma, (Stock Life) placed in receivership in Oklahoma therefore license cancelled in Texas, (10-11-89)

Wintherthur Swiss Insurance Company (U.S. Branch), New York, New York, (Stock Fire & Casualty) domestication of the U.S. Branch to New York, New York, (12-19-89)

* Company was actually placed in permanent receivership in Texas in previous fiscal year(s), however, Company License did not receive notification until current fiscal year.

## Domestic Companies That Have Changed Name, Moved Home Office or Been Reclassified

Between September 1, 1989 and August 31, 1990

Advanced Benefits Life Insurance Company, San Antonio, Texas, (Stock Life) moved home office to Richardson, Texas, (04-05-90)

American Federation Life Insurance Company, Houston, Texas, (Stock Life) changed name to Unified Life Insurance Company, (12-27-89)

American Financial Life Insurance Company, Carrollton, Texas, (Stock Life) moved home office to Fort Worth, Texas, (08-23-90)

American General Fire and Casualty Company, Houston, Texas, (Stock Fire & Casualty) changed name and moved home office to Maryland Insurance Company, Irving, Texas, (05-17-90)

American General Group Insurance Company, Dallas, Texas, (Stock Life) changed name to Anthem Life Insurance Company, (07-19-90)

American General Health Plan, Inc., Houston, Texas, (Health Maintenance Organization) changed name to Anthem Health Plans of Texas, Inc., (08-10-90)

American General Lloyds, Houston, Texas, (Lloyds) changed name and moved home office to Maryland Lloyds, Irving, Texas, (07-31-90)

American Lloyds Insurance Company, Dallas, Texas, (Lloyds) changed name and moved home office to Cigna Lloyds Insurance Company, Irving, Texas, (09-01-89)

American Standard County Mutual Insurance Company, Dallas, Texas, (County Mutual) changed name to Fireman's Fund County Mutual Insurance Company, (02-15-90)

American-World Life Insurance Company, The, Houston, Texas, (Stock Life) moved home office to Irving, Texas, (11-15-89)

Amerident Corporation, Irving, Texas, (Health Maintenance Organization) changed name to First American Dental Benefits, Inc., (02-26-90)

Ameriway Life Insurance Company, Houston, Texas, (Stock Life) changed name to United Healthcare Insurance Company of Texas, Inc., (10-11-89)

AMLife Insurance Company, Lake Jackson, Texas, (Stock Life) moved home office to West Columbia, Texas, (06-01-90)

Capital National Life Insurance Company, Austin, Texas, (Stock Life) changed name and moved home office to Citysavings Life Insurance Company, San Antonio, Texas, (02-15-90)

Citysavings Life Insurance Company, San Antonio, Texas, (Stock Life) changed name to Citysavers Life Insurance Company, (03-13-90)

Columbia Universal Life Insurance Company, Houston, Texas, (Stock Life) moved home office to Austin, Texas, (03-23-90)

Commercial Lloyd's Insurance Company, Dallas, Texas, (Lloyds) moved home office to Austin, Texas, (03-13-90)

Commonwealth County Mutual Insurance Company, Dallas, Texas, (County Mutual) changed name and moved home office to Viking County Mutual Insurance Company, Austin, Texas, (01-24-90)

East Texas Funeral Service Life Insurance Company, Woodville, Texas, (Stipulated Premium) changed name to Texas Service Life Insurance Company, (12-11-89)

First Republic Life Insurance Company, Dallas, Texas, (Stock Life) changed name to NCNB Texas Life Insurance Company, (11-08-89)

First Republicbank Life Insurance Company, Dallas, Texas, (Stock Life) changed name to NCNB Life Insurance Company, (10-06-89)

Great National Life Insurance Company, San Antonio, Texas, (Stock Life) moved home office to Dallas, Texas, (02-15-90)

Hanover Lloyd's Insurance Company, Dallas, Texas, (Lloyds) moved home office to Richardson, Texas, (08-31-90)

Home Lloyd's Insurance Company of Texas, Dallas, Texas, (Lloyds) moved home office to Houston, Texas, (02-15-90)

Insurance Company of Texas, Richardson, Texas, (Stock Life) changed name to Benefit Life Insurance Company, (05-17-90)

KM Insurance Company, Dallas, Texas, (Stock Fire & Casualty) changed name to Bonneville-Texas Insurance Company, (11-15-89)

Laurel Life Insurance Company, Fort Worth, Texas, (Stock Life) moved home office to Richardson, Texas, (12-27-89)

Legal Protective Life Insurance Company, Baytown, Texas, (Stock Life) moved home office to Pasadena, Texas, (11-10-89)

Lomas Bankers Life Insurance Company, Dallas, Texas, (Stock Life) changed name to First USA Life Insurance Company, (03-13-90)

Mission National Life Insurance Company, Houston, Texas, (Stipulated Premium) changed name and moved home office to Western Casualty Life Insurance Company of Texas, Fort Worth, Texas, (12-18-89)

Montfort Lloyd's Insurance Company, Dallas, Texas, (Lloyds) changed name to Underwriters Lloyds Insurance Company, (08-16-90)

National Atlas Life Insurance Company, Houston, Texas, (Stock Life) moved home office to Irving, Texas, (11-15-89)

Nobel' Life Insurance Company, Dallas, Texas, (Stock Life) changed name and moved home office to New Era Life Insurance Company, Houston, Texas, (12-11-89)

Southern Sun Life Insurance Company, Helotes, Texas, (Stock Life) changed name and moved home office to The U.S. Fidelity Life Insurance Company, San Antonio, Texas, (07-11-90)

Southwest First Community Life Insurance Company, Beeville, Texas, (Stock Life) moved home office to Dallas, Texas, (12-05-89)

Texas Health Plans, Inc., Austin, Texas, (Health Maintenance Organization) changed name to PCA Health Plans of Texas, Inc., (02-26-90)

Texas South Life Insurance Company, LaGrange, Texas, (Stock Life) moved home office to Austin, Texas, (08-07-90)

Trustee Life Insurance Company, Austin, Texas, (Stock Life) moved home office to Amarillo, Texas, (06-21-90)

Windsor Lloyds, Dallas, Texas, (Lloyds) moved home office to Duncanville, Texas, (09-07-89)

## Foreign Companies That Have Changed Name, Moved Home Office Or Been Reclassified

Between September 1, 1989 and August 31, 1990

Acacia National Life Insurance Company, Annandale, Virginia, (Stock Life) moved home office to Fairfax, Virginia, (07-19-90)

Agricultural Insurance Company, Sioux Falls, South Dakota, (Stock Fire & Casualty) moved home office to Pierre, South Dakota, (07-31-90)

Allegiance Life Insurance Company, Claremont, California, (Stock Life) redomesticated by way of charter amendment to Phoenix, Arizona, (07-31-90)

American Ambassador Casualty Company, Northbrook, Illinois, (Stock Fire & Casualty) moved home office to Schaumburg, Illinois, (11-30-89)

American Central Insurance Company, Kansas City, Missouri, (Stock Fire & Casualty) moved home office to St. Louis, Missouri, (08-10-90)

American Chambers Life Insurance Company, Worthington, Ohio, (Stock Life) moved home office to Dublin, Ohio, (03-23-90)

American Hardware Mutual Insurance Company, Minneapolis, Minnesota, (Mutual Fire & Casualty) moved home office to Minnetonka, Minnesota, (10-02-89)

American Life and Casualty Insurance Company, Fargo, North Dakota, (Stock Life) redomesticated by way of charter amendment to Des Moines, Iowa, (10-11-89)

American Merchants Life Insurance Company, Minneapolis, Minnesota, (Stock Life) moved home office to Minnetonka, Minnesota, (10-02-89)

American Overseas Reinsurance Company, Philadelphia, Pennsylvania, (Stock Fire & Casualty) changed name to American Royal Reinsurance Company, (10-11-89)

American Tower Life and Accident Insurance Company (Assumed Name of Tower Life and Accident Insurance Company), Chicago, Illinois, (Stock Life) redomesticated by way of charter amendment to Tampa, Florida, (02-26-90)

American Tower Life and Accident Insurance Company (Assumed Name of Tower Life and Accident Insurance Company), Tampa, Florida, (Stock Life) changed name to Capital Investors Life Insurance Company, (08-16-90)

Amicare Insurance Company, Philadelphia, Pennsylvania, (Stock Life) changed name and moved home office to Network America Life Insurance Company, Allentown, Pennsylvania, (10-26-89)

Benefit Trust Life Insurance Company (A Mutual Legal Reserve Company), Chicago, Illinois, (Mutual Life) moved home office to Lake Forest, Illinois, (10-19-89)

Best Life Assurance Company of California, Newport Beach, California, (Stock Life) moved home office to Laguna Hills, California, (11-08-89)

California Pacific Life Insurance Company, Novato, California, (Stock Life) moved home office to Petaluma, California, (01-24-90)

Camden Fire Insurance Association, The, Cherry Hill, New Jersey, (Stock Fire & Casualty) moved home office to Mount Laurel, New Jersey, (03-23-90)

Central National Life Insurance Company of Omaha, The, Omaha, Nebraska, (Stock Life) moved home office to Lincoln, Nebraska, (06-01-90)

Certified Life Insurance Company, Sherman Oaks, California, (Stock Life) moved home office to Granada Hills, California, (10-19-89)

Chrysler Insurance Company, Troy, Michigan, (Stock Fire & Casualty) moved home office to Southfield, Michigan, (08-24-90)

Chrysler Life Insurance Company, Troy, Michigan, (Stock Life) moved home office to Southfield, Michigan, (07-31-90)

Citadel Life Insurance Company, The, Charlotte, North Carolina, (Stock Life) redomesticated by way of charter amendment to Baltimore, Maryland, (07-19-90)

Citizens Insurance Company of America, Englewood, Colorado, (Stock Life) moved home office to Denver, Colorado, (02-26-90)

Commercial Mortgage Insurance, Inc., Madison, Wisconsin, (Mortgage Guaranty) changed name and converted to Western Diversified Casualty Insurance Company, Stock Casualty, (03-30-90)

Consumers Life Insurance Company of North Carolina, Southern Pines, North Carolina, (Stock Life) moved home office to Gastonia, North Carolina, (04-05-90)

Copenhagen Reinsurance Company of America, The, New York, New York, (Stock Fire & Casualty) changed name to Sorema North America Reinsurance Company, (03-23-90)

Cudis Insurance Society, Inc., Madison, Wisconsin, (Stock Life) changed name to Cumis Life Insurance, Inc., (08-10-90)

Electric Insurance Company, Lynn, Massachusetts, (Stock Fire & Casualty) moved home office to Beverly, Massachusetts, (05-02-90)

Electric Mutual Liability Insurance Company, Lynn, Massachusetts, (Mutual Fire & Casualty) moved home office to Beverly, Massachusetts, (05-02-90)

Empire Life Insurance Company, Omaha, Nebraska, (Stock Life) redomesticated by way of charter amendment to Seattle, Washington, (05-02-90)

Fairmont Insurance Company, Burbank, California, (Stock Fire & Casualty) moved home office to Woodland Hills, California, (08-31-90)

Federal Insurance Company, Warren, New Jersey, (Stock Fire & Casualty) redomesticated by way of charter amendment to Indianapolis, Indiana, (07-31-90)

Fidelity National Title Insurance Company, Scottsdale, Arizona, (Title) moved home office to Phoenix, Arizona, (08-31-90)

Financial Security Assurance of Iowa, Inc., Des Moines, Iowa, (Stock Fire & Casualty) changed name and redomesticated by way of charter amendment to Financial Security Assurance International, Inc., Indianapolis, Indiana, (12-19-89)

First Capital Life Insurance Company, La Jolla, California, (Stock Life) moved home office to San Diego, California, (07-31-90)

Gamma Reinsurance Company, Wilmington, Delaware, (Stock Fire & Casualty) changed name to AXA Reinsurance Company, (01-24-90)

General Electric Equity Insurance Corporation of Michigan, Farmington Hills, Michigan, (Stock Casualty) changed name and redomesticated by way of charter amendment to General Electric Home Equity Insurance Corporation of North Carolina, Raleigh, North Carolina, (09-07-89)

General Electric Mortgage Insurance Corporation, Cincinnati, Ohio, (Stock Casualty) redomesticated by way of charter amendment to Raleigh, North Carolina, (06-01-90)

General Electric Mortgage Insurance Corporation of Michigan, Farmington Hills, Michigan, (Stock Casualty) changed name and redomesticated by way of charter amendment to GE Residential Mortgage Insurance Corporation of North Carolina, Raleigh, North Carolina, (09-07-89)

General Electric Mortgage Reinsurance Corporation, Tampa, Florida, (Stock Casualty) redomesticated by way of charter amendment to Raleigh, North Carolina, (09-07-89)

Great Fidelity Life Insurance Company, Evansville, Indiana, (Stock Life) moved home office to Fort Wayne, Indiana, (02-15-90)

Home Life Financial Assurance Corporation, Largo, Florida, (Stock Life) moved home office to Maitland, Florida, (03-23-90)

INA Life Insurance Company, Los Angeles, California, (Stock Life) changed name to Investors Life Insurance Company of California, (11-30-89)

Iowa Allied Life Insurance Company (Assumed Name of Allied Life Insurance Company), Des Moines, Iowa, (Stock Life) changed name to (dropped assumed name) Allied Life Insurance Company, (10-16-89)

Kansas City Fire and Marine Insurance Company, Kansas City, Missouri, (Stock Fire & Casualty) moved home office to Clayton, Missouri, (09-01-89)

Koln Life Insurance Company, Scottsdale, Arizona, (Stock Life) moved home office to Phoenix, Arizona, (08-24-90)

Legion Insurance Company, Pittsburgh, Pennsylvania, (Stock Fire & Casualty) moved home office to Philadelphia, Pennsylvania, (10-26-89)

LGS Insurance Company (Assumed Name of Life General Security Insurance Company), Baton Rouge, Louisiana, (Stock Life) redomesticated by way of charter amendment to Miami, Florida, (06-01-90)

Lincoln National Health Care Insurance Company, Fort Wayne, Indiana, (Stock Life) changed name and moved home office to Santafe Insurance Company, Indianapolis, Indiana, (11-30-89)

MCA Insurance Company, Newark, New Jersey, (Stock Fire & Casualty) redomesticated by way of charter amendment to Tulsa, Oklahoma, (03-13-90)

Metlife Property and Casualty Insurance Company, Newark, Delaware, (Stock Fire & Casualty) changed name to Metropolitan Property and Casualty Insurance Company, (06-21-90)

Metropolitan Insurance and Annuity Company, Wilmington, Delaware, (Stock Life) moved home office to Newark, Delaware, (07-05-90)

Metropolitan Property and Liability Insurance Company, Newark, Delaware, (Stock Fire & Casualty) changed name to Metlife Property and Casualty Insurance Company, (06-12-90)

Metropolitan Reinsurance Company, Wilmington, Delaware, (Stock Fire & Casualty) moved home office to Newark, Delaware, (09-19-89)

Midwest Life Insurance Company, The, Lincoln, Nebraska, (Stock Life) moved home office to Omaha, Nebraska, (09-07-89)

Mt. Airy Insurance Company, Carmel, Indiana, (Stock Fire & Casualty) moved home office to Indianapolis, Indiana, (06-01-90)

Municipal Bond Investors Assurance Corporation, White Plains, New York, (Stock Casualty) moved home office to Armonk, New York, (09-19-89)

National Pension Life Insurance Company, Montpelier, Vermont, (Stock Life) redomesticated by way of charter amendment to Phoenix, Arizona, (07-05-90)

National Property Owners Insurance Company, The, Nashville, Tennessee, (Stock Fire & Casualty) changed name to American General Property Insurance Company, (03-23-90)

Newark Insurance Company, East Orange, New Jersey, (Stock Fire & Casualty) moved home office to East Hanover, New Jersey, (10-26-89)

North American Company for Property and Casualty Insurance, New York, New York, (Stock Fire & Casualty) changed name to NAC Reinsurance Corporation, (09-07-89)

Northland Insurance Company, St. Paul, Minnesota, (Stock Fire & Casualty) moved home office to Mendota Heights, Minnesota, (06-21-90)

NWNL General Insurance Company, Minneapolis, Minnesota, (Stock Fire & Casualty) changed name to Trustgard Insurance Company, (07-25-90)

NWNL Reinsurance Company, Minneapolis, Minnesota, (Stock Fire & Casualty) changed name to Chartwell Reinsurance Company, (12-11-89)

Oxford Property and Casualty Company (Assumed Name of Republic Western Insurance Company), Phoenix, Arizona, (Stock Fire & Casualty) changed name to (dropped assumed name) Republic Western Insurance Company, (01-24-90)

Penn Diversified Insurance and Annuity Company, Kansas City, Missouri, (Stock Life) changed name and moved home office to American Financial Security Life Insurance Company, Jefferson City, Missouri, (02-15-90)

Pennsylvania Life Insurance Company, Philadelphia, Pennsylvania, (Stock Life) moved home office to Lemoyne, Pennsylvania, (10-11-89)

Phoenix General Insurance Company, Hartford, Connecticut, (Stock Fire & Casualty) changed name and moved home office to Genesis Insurance Company, Stamford, Connecticut, (03-23-90)

Provident General Insurance Company, Chattanooga, Tennessee, (Stock Fire & Casualty) changed name to Merastar Insurance Company, (08-10-90)

Rushmore Mutual Life Insurance Company, Rapid City, South Dakota, (Mutual Life) changed name and converted to Rushmore National Life Insurance Company, Stock Life, (03-30-90)

Southern Life Insurance Company, Greensboro, North Carolina, (Stock Life) changed name to London Pacific Life & Annuity Company, (10-02-89)

Summit Fidelity and Surety Company, The, Maumee, Ohio, (Stock Fire & Casualty) moved home office to Columbus, Ohio, (03-30-90)

Title USA Insurance Corporation of New York, New York, New York, (Title) changed name and moved home office to TRW Title Insurance of New York, Inc., Floral Park, New York, (08-10-90)

Transamerica Insurance Company, Los Angeles, California, (Stock Fire & Casualty) moved home office to Woodland Hills, California, (09-07-89)

Trenwick America Reinsurance Corporation, Westport, Connecticut, (Stock Fire & Casualty) moved home office to Stamford, Connecticut, (09-19-89)

Triad Life Insurance Corporation, Winston-Salem, North Carolina, (Stock Life) changed name to The Investment Life Insurance Company of America, (05-17-90)

Union Life Insurance Company, Little Rock, Arkansas, (Stock Life) changed name to Winona Financial Life Insurance Company, (04-05-90)

United National Life Insurance Company of America, Springfield, Illinois, (Stock Life) moved home office to Glenview, Illinois, (12-27-89)

United Security Insurance Company, Holland Township, New Jersey, (Stock Fire) redomesticated by way of charter amendment to West Des Moines, Iowa, (04-05-90)

United Services General Life Company, Oklahoma City, Oklahoma, (Stock Life) changed name to USG Annuity & Life Company, (11-08-89)

Universe Life Insurance Company, The, Carson City, Nevada, (Stock Life) moved home office to Reno, Nevada, (09-19-89)

Universe Life Insurance Company, The, Reno, Nevada, (Stock Life) redomesticated by way of charter amendment to Lewiston, Idaho, (06-21-90)

Wabash Life Insurance Company, Indianapolis, Indiana, (Stock Life) redomesticated by way of charter amendment to Louisville, Kentucky, (03-30-90)

Western Employers Insurance Company, Santa Ana, California, (Stock Fire & Casualty) moved home office to Fullerton, California, (10-19-89)

Xerox Financial Services Life Insurance Company, St. Louis, Missouri, (Stock Life) moved home office to Hazelwood, Missouri, (06-12-90)

## Domestic Companies That Had Their Certificate of Authority Suspended in Texas

Between September 1, 1989 and August 31, 1990

Home Life Insurance Company of Texas, San Antonio, Texas, (Stipulated Premium) Certificate of Authority suspended in Texas for one year, (08-31-90)

## Foreign Companies That Had Their Certificate of Authority Suspended in Texas

Between September 1, 1989 and August 31, 1990

Centaur Insurance Company, Chicago, Illinois, (Stock Fire & Casualty) Certificate of Authority suspended in Texas for one year, (03-13-90)

Western Employers Insurance Company, Fullerton, California, (Stock Fire & Casualty) Certificate of Authority suspended in Texas for one year, (08-07-90)

Western Employers Insurance Company of America, Fullerton, California (Stock Fire & Casualty) Certificate of Authority suspended in Texas for one year, (08-10-90)

# PART III: LIQUIDATOR'S AND CONSERVATOR'S REPORT

**Figure 79. Summary of Supervisions:** September 1, 1989 through August 31, 1990

| DOMESTIC | Existing | New | FY 1990 Year End Balances |
|---|---|---|---|
| Stock Life Insurance Companies | 10 | 11 | 4 |
| Stipulated Premium Insurance Companies | 0 | 3 | 1 |
| Surplus Lines Insurers | 0 | 0 | 0 |
| Local Mutual Aid Associations | 0 | 1 | 0 |
| Stock Fire & Casualty | 0 | 4 | 1 |
| Lloyds | 1 | 4 | 1 |
| Title | 0 | 1 | 0 |
| Unauthorized Insurer | 2 | 1 | 0 |
| Managing General Agents | 0 | 0 | 0 |
| Agencies | 2 | 0 | 0 |
| Reciprocal | 0 | 0 | 0 |
| Fraternal | 0 | 0 | 0 |
| County Mutual | 1 | 1 | 0 |
| Health Maintenance Organization | 0 | 0 | 0 |
| FOREIGN | 0 | 0 | 0 |
|  | 16 | 26 | 7 |

**Figure 80. Summary of Conservatorships:** September 1, 1989 through August 31, 1990

| DOMESTIC | Existing | New | FY 1990 Year End Balance |
|---|---|---|---|
| Stock Life | 3 | 1 | 3 |
| Reciprocal | 1 | 0 | 0 |
| Managing General Agents | 2 | 0 | 0 |
| Local Mutual Aid Associations | 1 | 1 | 1 |
| Stock Fire & Casualty | 2 | 1 | 1 |
| Lloyds | 0 | 1 | 0 |
| Title | 2 | 0 | 2 |
| Unauthorized Insurers | 1 | 0 | 0 |
| Fraternal | 2 | 0 | 1 |
| County Mutual | 0 | 0 | 1 |
| Agencies | 2 | 0 | 0 |
| FOREIGN | 0 | 1 | 1 |
|  | 16 | 5 | 10 |

**Figure 81. Insurance Companies in Conservatorship or Under Supervision By Fiscal Years**

| Fiscal Year | No. at Beginning | No. Rec'd During Year | Reinsured & Dissolved | Ceased Business Dissolved | In Receivership | Released to Management | Other* Changes | Year End Balance |
|---|---|---|---|---|---|---|---|---|
| 1976 | 17 | 5 | 4 | 1 | 5 | 7 | | |
| 1977 | 5 | 16 | 0 | 0 | 5 | 5 | | |
| 1978 | 10 | 15 | 0 | 2 | 2 | 6 | | |
| 1979 | 12 | 15 | 0 | 1 | 3 | 12 | | |
| 1980 | 8 | 6 | 0 | 0 | 1 | 4 | | |
| 1981 | 9 | 11 | 0 | 0 | 1 | 7 | | |
| 1982 | 11 | 10 | 0 | 1 | 3 | 8 | | |
| 1983 | 7 | 12 | 0 | 0 | 7 | 9 | | |
| 1984 | 3 | 12 | 0 | 0 | 3 | 4 | | |
| 1985 | 5 | 19 | 0 | 1 | 5 | 4 | | |
| 1986 | 12 | 21 | 0 | 0 | 5 | 4 | | |
| 1987 | 14 | 58 | 0 | 0 | 14 | 7 | | |
| 1988 | 42 | 33 | 1 | 3 | 19 | 10 | 9 | 33 |
| 1989 | 33 | 49 | 1 | 5 | 21 | 23 | 16 | 32 |
| 1990 | 32 | 31 | 5 | 6 | 20 | 15 | 16 | 17 |

* FY '90: Sixteen entities moved from Supervision to Conservatorship.

**Figure 82. Receiverships By Fiscal Year:** New Receiverships and Receiverships Closed

| Fiscal Year | Balance Receiverships Beginning | New Receiverships | Receiverships Closed |
|---|---|---|---|
| 1980 | 52 | 1 | 4 |
| 1981 | 49 | 8 | 7 |
| 1982 | 50 | 11 | 19 |
| 1983 | 42 | 13 | 0 |
| 1984 | 55 | 3 | 3 |
| 1985 | 55 | 20 | 1 |
| 1986 | 74 | 19 | 2 |
| 1987 | 91 | 18 | 1 |
| 1988 | 108 | 25 | 2 |
| 1989 | 131 | 40 | 14 |
| 1990 | 157 | 33 | 28 |

*As of August 31, 1990 -- 162 Active Receiverships*

**Figure 83. Lawsuits Pending - Liquidation Division:** 1980 - 1990

| Fiscal Year Ending | New Lawsuits | Closed Lawsuits | Pending Lawsuits |
|---|---|---|---|
| 1980 | 111 | 70 | 406 |
| 1981 | 8 | 106 | 308 |
| 1982 | 29 | 120 | 217 |
| 1983 | 69 | 17 | 269 |
| 1984 | 31 | 26 | 274 |
| 1985 | 150 | 119 | 305 |
| 1986 | 203 | 89 | 419 |
| 1987 | 167 | 148 | 438 |
| 1988 | 227 | 131 | 534 |
| 1989 | 296 | 254 | 576 |
| 1990 | 382 | 270 | 688 |

Figure 84. Companies in Supervision at Beginning Of Fiscal Year 1990

### SUPERVISION

| Commissioner's Order Number | Dated | Company Name |
|---|---|---|
| 84-1915 | 6-18-84 | Great Southwest Life |
| 85-1377 | 4-25-85 | Confidential* |
| 86-1024 | 9-29-86 | Riley Ins. Agency |
| 86-1025 | 9-29-86 | Sheldon Ins. Agency |
| 87-0732 | 6-24-87 | American Surety |
| 87-0802 | 8-08-87 | London Guaranty |
| 88-1232 | 10-14-88 | Allied Bankers Life |
| 88-1268 | 10-24-88 | Texas Dealers Life |
| 88-1270 | 10-24-88 | Confidential* |
| 88-1345 | 11-03-88 | Western Lloyds |
| 88-1346 | 11-03-88 | Guaranty County Mutual |
| 89-0546 | 4-14-89 | Confidential* |
| 89-0826 | 5-24-89 | Commodore Life |
| 89-1051 | 7-07-89 | Galaxia Life Ins. Co. |
| 89-1053 | 7-07-89 | Confidential* |
| 89-1157 | 8-02-89 | Southern National Life |

* *Article 21.28-A, Section 3A, Tex. Ins. Code, "notwithstanding any other provisions of law, hearings, orders, notices, correspondence, reports, records, and other information in the possession of the State Board of Insurance relating to the supervision or conservatorship of any insurance company are not confidential unless the Commissioner of Insurance determines that confidentiality during the initial period of supervision is necessary to accomplish the purposes of this article." According to the Preamble of Senate Bill 255, this Act is prospective in nature. Nothing in this Act is intended to affect any pending litigation*

**Figure 85. Companies in Conservatorship at Beginning Of Fiscal Year 1990**

### CONSERVATORSHIP

| Commissioner's Order Number | Dated | Company Name |
|---|---|---|
| 85-2317 | 11-19-85 | Confidential* |
| 87-0712 | 6-16-87 | Confidential* |
| 88-0586 | 5-18-88 | Capital Title |
| 88-0876 | 7-18-88 | United Travelers |
| 89-0572 | 4-19-89 | Confidential* |
| 89-1108 | 7-21-89 | Commercial Amer. Group |
| 89-1109 | 7-21-89 | Commercial Amer. Under. |
| 89-0135 | 2-06-89 | Confidentail* |
| 89-0192 | 2-13-89 | Texas Consumer Life |
| 89-0206 | 2-20-89 | Houston United Life |
| 89-0280 | 3-03-89 | Preferred Casualty |
| 89-0305 | 3-06-89 | Security Southwest Life |
| 89-0651 | 5-11-89 | American Ins. Markets |
| 89-0652 | 5-11-89 | Texas Ins. Co. |
| 89-1107 | 7-21-89 | Arrow Ins. of Texas |
| 89-1178 | 8-08-89 | Title U. S. A. |

* *Article 21.28-A, Section 3A, Tex. Ins. Code, "notwithstanding any other provisions of law, hearings, orders, notices, correspondence, reports, records, and other information in the possession of the State Board of Insurance relating to the supervision or conservatorship of any insurance company are not confidential unless the Commissioner of Insurance determines that confidentiality during the initial period of supervision is necessary to accomplish the purposes of this article." According to the Preamble of Senate Bill 255, this Act is prospective in nature. Nothing in this Act is intended to affect any pending litigation*

**Figure 86. Companies Placed in Supervision Between September 1, 1989 and August 31, 1990**

| Commissioner's Order Number | Dated | Company Name |
|---|---|---|
| 89-1379 | 9-11-89 | Americas Int'l. Rein. |
| 89-1571 | 10-23-89 | Home Life Insurance Co. |
| 89-1791 | 12-01-89 | Pacific Standard - Tx. |
| 90-0104 | 1-30-90 | American Guardian |
| 90-0138 | 2-05-90 | International Life |
| 90-0173 | 2-13-90 | Southwest American Lloyds |
| 90-0230 | 2-26-90 | Excalibur Life |
| 90-0288 | 3-06-90 | Texas Employ. Ins. Assoc. |
| 90-0293 | 3-13-90 | Ethiopian Mutual Life |
| 90-0462 | 4-02-90 | McDonald Life |
| 90-0463 | 4-02-90 | National Benefit Life |
| 90-0505 | 4-05-90 | First American Title |
| 90-0537 | 4-06-90 | Lloyds U. S. |
| 90-0641 | 5-14-90 | Confidential* |
| 90-0642 | 5-15-90 | Professional Benefit |
| 90-0867 | 6-11-90 | Justice Life |
| 90-0919 | 6-18-90 | Confidential* |
| 90-0972 | 6-25-90 | American Pacer |
| 90-1094 | 7-09-90 | Commodore County Mutual |
| 90-1194 | 7-12-90 | Commodore Insurance Co. |
| 90-1195 | 7-12-90 | Commodore Life Ins. Co. |
| 90-1196 | 7-16-90 | Preferred Bankers Life |
| 90-1252 | 7-24-90 | Confidential* |
| 90-1364 | 8-16-90 | Bankers Protective Life |
| 90-1393 | 8-20-90 | Legal Protective Life |
| 90-1463 | 9-07-90 | American Guardian |

** Article 21.28-A, Section 3A, Tex. Ins. Code, "notwithstanding any other provisions of law, hearings, orders, notices, correspondence, reports, records, and other information in the possession of the State Board of Insurance relating to the supervision or conservatorship of any insurance company are not confidential unless the Commissioner of Insurance determines that confidentiality during the initial period of supervision is necessary to accomplish the purposes of this article." According to the Preamble of Senate Bill 255, this Act is prospective in nature. Nothing in this Act is intended to affect any pending litigation*

**Figure 87. Companies Placed in Conservatorship Between September 1, 1989 and August 31, 1990**

| Commissioner's Order Number | Dated | Company Name |
|---|---|---|
| 89-1896 | 12-15-89 | Pacific Standard - Ca. |
| 89-1921 | 12-19-89 | First Nat'l. Indemnity |
| 89-1922 | 12-19-89 | First Nat'l. Indem. Life |
| 90-0001 | 1-03-90 | Red River Valley Life |
| 90-0222 | 2-15-90 | Essex Lloyds |

* *Article 21.28-A, Section 3A, Tex. Ins. Code, "notwithstanding any other provisions of law, hearings, orders, notices, correspondence, reports, records, and other information in the possession of the State Board of Insurance relating to the supervision or conservatorship of any insurance company are not confidential unless the Commissioner of Insurance determines that confidentiality during the initial period of supervision is necessary to accomplish the purposes of this article." According to the Preamble of Senate Bill 255, this Act is prospective in nature. Nothing in this Act is intended to affect any pending litigation*

**Figure 88. Companies Released and/or Terminated From Supervision Between September 1, 1989 and August 31, 1990**

| Commissioner's Order Number | Dated | Company Name |
|---|---|---|
| 89-1380 | 9-13-89 | Confidential* |
| 89-1494 | 10-06-89 | Galaxia Life |
| 89-1532 | 10-11-89 | Sheldon Ins. Agency |
| 89-1664 | 11-08-89 | London Guaranty |
| 89-1665 | 11-08-89 | Confidential* |
| 89-1735 | 11-22-89 | Confidential* |
| 89-1779 | 11-30-89 | Riley Ins. Agency |
| 89-1792 | 12-01-89 | Confidential* |
| 89-1862 | 12-11-89 | Commodore Life |
| 90-0139 | 2-05-90 | Pacific Standard - Tx. |
| 90-0465 | 3-02-90 | S/W American Lloyds |
| 90-0384 | 3-23-90 | Americas Int'l. Rein. |
| 90-0582 | 4-18-90 | American Guardian |
| 90-0797 | 6-01-90 | Lloyds U. S. |
| 90-0861 | 6-08-90 | McDonald Life |
| 90-1341 | 8-10-90 | Confidential* |
| 90-1395 | 8-20-90 | Confidential* |
| 90-1415 | 8-24-90 | Justice Life |
| 90-1429 | 8-31-90 | American Pacer |

* *Article 21.28-A, Section 3A, Tex. Ins. Code, "notwithstanding any other provisions of law, hearings, orders, notices, correspondence, reports, records, and other information in the possession of the State Board of Insurance relating to the supervision or conservatorship of any insurance company are not confidential unless the Commissioner of Insurance determines that confidentiality during the initial period of supervision is necessary to accomplish the purposes of this article." According to the Preamble of Senate Bill 255, this Act is prospective in nature. Nothing in this Act is intended to affect any pending litigation*

**Figure 89. Companies Released and/or Terminated From Conservatorship Between September 1, 1989 and August 31, 1990**

| Commissioner's Order Number | Dated | Company Name |
|---|---|---|
| 89-1346 | 9-01-89 | United Travelers |
| 89-1430 | 9-20-89 | Texas Insurance Co. |
| 89-1431 | 9-20-89 | Arrow Ins. of Tx. |
| 89-1432 | 9-20-89 | Commercial Amer. Under. |
| 89-1433 | 9-20-89 | Commercial Amer. Group |
| 89-1446 | 10-02-89 | Houston United Life |
| 89-1486 | 10-05-89 | Americas Ins. Markets |
| 89-1580 | 10-26-89 | Title U. S. A. |
| 89-1625 | 10-31-89 | Confidential* |
| 89-1645 | 11-30-89 | Confidential* |
| 89-1789 | 11-30-89 | Confidential* |
| 89-1821 | 12-11-89 | Preferred Casualty |
| 89-1822 | 12-11-89 | Southern National |
| 89-1884 | 12-13-89 | Texas Consumer Life |
| 89-1885 | 12-13-89 | Security Southwest Life |
| 90-0135 | 2-02-90 | Western Lloyds |
| 90-0136 | 2-02-90 | Guaranty County Mutual |
| 90-0231 | 2-26-90 | Allied Bankers Life |
| 90-0382 | 3-23-90 | First Nat'l. Indemnity |
| 90-0383 | 3-23-90 | Great Southwest Life |
| 90-0464 | 4-02-90 | Essex Lloyds |
| 90-0540 | 4-13-90 | Texas Dealers Life |
| 90-0798 | 6-01-90 | American Surety |
| 90-1093 | 7-06-90 | First Nat'l. Indem. Life |
| 90-1274 | 7-27-90 | Red River Valley Life |
| 90-1276 | 7-31-90 | Excalibur Life |
| 90-1428 | 8-31-90 | Home Life |

* *Article 21.28-A, Section 3A, Tex. Ins. Code, "notwithstanding any other provisions of law, hearings, orders, notices, correspondence, reports, records, and other information in the possession of the State Board of Insurance relating to the supervision or conservatorship of any insurance company are not confidential unless the Commissioner of Insurance determines that confidentiality during the initial period of supervision is necessary to accomplish the purposes of this article." According to the Preamble of Senate Bill 255, this Act is prospective in nature. Nothing in this Act is intended to affect any pending litigation*

## Insurance Companies And Affiliates In Receivership As Of August 31, 1990

| Name of Company | District Court | Cause Number |
|---|---|---|
| ADCO FIRE & CASUALTY COMPANY, LTD., et al<br>Plano, Texas | 250th | 344,329 |
| GEORGE D. ALBRIGHT d/b/a<br>JENNIE A. YOUNG INSURANCE AGENCY<br>Cooper, Texas | 261st | 386,027 |
| ALLIED BANKERS LIFE INSURANCE COMPANY<br>Fort Worth, Texas | 250th | 479,031 |
| ALLIED FIDELITY INSURANCE COMPANY<br>Indianapolis, Indiana | 331st | 402,457 |
| AMALGAMATED LABOR LIFE INSURANCE COMPANY<br>Lincolnwood, Illinois | 299th | 472,991 |
| AMERICAN DRUGGISTS' INSURANCE COMPANY<br>Blue Ash, Ohio | 200th | 399,372 |
| AMERICAN EQUITABLE LIFE INSURANCE COMPANY<br>Dallas, Texas | 98th | 474,799 |
| AMERICAN SUN LIFE INSURANCE COMPANY<br>Orlando, Florida | 200th | 477,800 |
| AMERICAN FIDELITY FIRE INSURANCE COMPANY<br>Woodbury, New York | 299th | 393,414 |
| AMERICAN GUARANTY LIFE INSURANCE COMPANY<br>Austin, Texas | 53rd | 281,675 |
| AMERICAN INDEPENDENCE LIFE INSURANCE COMPANY<br>Jefferson City, Missouri | 200th | 484,086 |
| AMERICAN INSURANCE GROUP, LTD., et al<br>Houston, Texas | 147th | 379,156 |
| AMERICAN MANAGERS, INC.<br>Houston, Texas | 126th | 342,895 |
| AMERICAN MUTUAL LIABILITY INSURANCE COMPANY and AMERICAN MUTUAL INSURANCE COMPANY OF BOSTON<br>Boston, Massachusetts | 250th | 464,632 |
| AMERICAN PACER INSURANCE COMPANY, et al<br>Dallas, Texas | 167th | 488,342 |
| AMERICAN REAL ESTATE ASSOCIATION<br>Austin, Texas | 331st | 356,168 |
| AMERICAN TEACHERS LIFE INSURANCE COMPANY<br>Humble, Texas | 353rd | 462,445 |

| | | |
|---|---|---|
| AMERICAN UNDERWRITERS LIFE INSURANCE COMPANY<br>Waco, Texas | 353rd | 465,451 |
| BEST LLOYDS INSURANCE COMPANY and BEST MANAGEMENT, INC.<br>Houston, Texas | 299th | 440,695 |
| BLUFF FARMERS MUTUAL INSURANCE COMPANY<br>Austin, Texas | 98th | 443,234 |
| BUFFALO TITLE OF HOUSTON, INC.<br>Houston, Texas | 147th | 432,886 |
| RUTH MILLS BURFORD, OLD WORLD SOCIETY OF HEALTH AND FINANCE, et al<br>Houston, Texas | 250th | 424,757 |
| CADILLAC INSURANCE COMPANY<br>Detroit, Michigan | 250th | 479,299 |
| CALIFORNIA PACIFIC LIFE INSURANCE COMPANY<br>Novato, California | 299th | 473,669 |
| CALIFORNIA LIFE INSURANCE COMPANY<br>Los Angeles, California | 331st | 401,820 |
| CARRIERS INSURANCE COMPANY<br>Des Moines, Iowa | 201st | 391,764 |
| CENTRAL TEXAS HEALTH PLAN, et al<br>Austin, Texas | 353rd | 432,533 |
| CHRISTIAN ORGANIZATIONS MEDICAL SOCIETY, INC., et al<br>Hurst, Texas | 353rd | 385,711 |
| CITIZEN'S NATIONAL ASSURANCE COMPANY<br>Albuquerque, New Mexico | 261st | 430,454 |
| COLUMBUS INSURANCE COMPANY<br>Columbus, Ohio | 126th | 375,271 |
| COMMERCIAL AMERICAN UNDERWRITERS, INC., et al<br>Houston, Texas | 98th | 471,559 |
| COMMERCIAL STANDARD INSURANCE COMPANY<br>Fort Worth, Texas | 167th | 373,842 |
| COMMODORE LIFE INSURANCE COMPANY<br>Dallas, Texas | 201st | 490,005 |
| CONSOLIDATED BENEFIT HEALTH INSURANCE Company<br>Dallas, Texas | 261st | 468,495 |

| | | |
|---|---|---|
| CONSOLIDATED SAVINGS LIFE INSURANCE COMPANY<br>Dallas, Texas | 345th | 447,455 |
| CONTINENTAL BANKERS LIFE INSURANCE COMPANY OF THE SOUTH<br>Jackson, Tennessee | 200th | 402,717 |
| CONTRACTOR'S INSURANCE EXCHANGE OF TEXAS, et al<br>Houston, Texas | 299th | 426,749 |
| COTTON BELT INSURANCE COMPANY, INC.<br>Memphis, Tennessee | 201st | 337,145 |
| NORMAN COWART, NASSAU LIFE INSURANCE COMPANY, et al<br>Arlington, Texas | 200th | 424,131 |
| CREDIT GUARD LIFE INSURANCE COMPANY<br>Houston, Texas | 250th | 454,925 |
| EDWARD PATTERSON CUDE, et al<br>Houston, Texas | 345th | 417,622 |
| DEXTER LLOYDS INSURANCE COMPANY,,et al<br>Houston, Texas | 345th | 405,847 |
| IRENE MONIQUE DIBEASE, d/b/a ACTION INSURANCE AGENCY, et al<br>Houston, Texas | 167th | 350,407 |
| EAGLE LIFE INSURANCE COMPANY<br>San Antonio, Texas | 201st | 418,574 |
| EARLY AMERICAN INSURANCE COMPANY<br>Montgomery, Alabama | 250th | 374,094 |
| EAST TEXAS HEALTH PLAN, INC.<br>Tyler, Texas | 126th | 435,776 |
| EASTERN INDEMNITY COMPANY OF MARYLAND<br>Rockville, Maryland | 299th | 374,862 |
| EMPIRE CASUALTY COMPANY<br>Denver, Colorado | 53rd | 458,982 |
| ENTERPRISE INSURANCE COMPANY<br>Los Angeles, California | 299th | 413,412 |
| ESSEX LLOYDS INSURANCE UNDERWRITERS AND TOM BRANIFF<br>Houston, Texas | 126th | 481,061 |
| EQUITABLE EXCHANGE, INC., et al<br>Houston, Texas | 200th | 341,697 |
| EXCALIBUR INSURANCE COMPANY<br>Minneapolis, Minnesota | 126th | 368,859 |

| | | |
|---|---|---|
| EXCALIBUR LIFE INSURANCE COMPANY, et al<br>San Antonio, Texas | 331st | 487,088 |
| FARM & RANCH LIFE INSURANCE COMPANY, INC.<br>Topeka, Kansas | 200th | 432,842 |
| FEDERAL TITLE COMPANY<br>Houston, Texas | 200th | 435,491 |
| FINANCIAL SERVICES - HOUSTON, et al<br>Houston, Texas | 331st | 470,487 |
| FIRST COLUMBIA LIFE INSURANCE COMPANY<br>Baton Rouge, Louisiana | 331st | 454,283 |
| FIRST HOUSTON TITLE, INC., d/b/a<br>FIRST TITLE OF HOUSTON<br>Houston, Texas | 250th | 458,072 |
| FIRST NATIONAL INDEMNITY COMPANY<br>Dallas, Texas | 167th | 479,932 |
| FIRST SERVICE LIFE INSURANCE COMPANY, et al<br>El Paso, Texas | 53rd | 454,774 |
| FIRST SOUTHWEST LLOYDS, and<br>R.W. BRAYTON & CO.<br>Austin, Texas | 167th | 468,283 |
| FIRST TRANSCONTINENTAL LIFE INSURANCE CORPORATION OF WISCONSIN<br>Madison, Wisconsin | 200th | 455,651 |
| FIRST UNITED LIFE INSURANCE COMPANY OF AMERICA,<br>Dallas, Texas | 250th | 319,320 |
| FLORIDA GENERAL LIFE INSURANCE COMPANY<br>Coral Gables, Florida | 250th | 346,372 |
| G.I.C. INSURANCE COMPANY<br>San Antonio, Texas | 53rd | 464,935 |
| GALAXIA LIFE INSURANCE COMPANY<br>Bossier City, Louisiana | 353rd | 470,859 |
| GENERAL INDEMNITY INSURANCE COMPANY<br>Houston, Texas | 345th | 468,674 |
| GIBSON NATIONAL LIFE INSURANCE COMPANY<br>Dallas, Texas | 126th | 450,373 |
| GREAT ATLANTIC INSURANCE COMPANY<br>Wilmington, Delaware | 250th | 474,693 |
| THE GREAT GLOBAL ASSURANCE COMPANY<br>Scottsdale, Arizona | 201st | 394,888 |

| | | |
|---|---|---|
| GREAT LIBERTY LIFE INSURANCE COMPANY<br>Dallas, Texas | 53rd | 192,855 |
| GREAT SOUTHWEST LIFE INSURANCE COMPANY<br>Houston, Texas | 261st | 480,465 |
| HERMITAGE HEALTH AND LIFE INSURANCE COMPANY<br>Franklin, Tennessee | 167th | 414,016 |
| HOLLAND-AMERICA LLOYDS<br>Irving, Texas | 147th | 437,572 |
| HOMELAND INSURANCE COMPANY<br>San Jose, California | 345th | 432,194 |
| IDEAL MUTUAL INSURANCE COMPANY<br>New York, New York | 126th | 373,613 |
| INDEPENDENT BANKERS LIFE INSURANCE COMPANY, et al,<br>Fort Worth, Texas | 53rd | 364,967 |
| INDEPENDENT STANDARD INSURANCE COMPANY<br>Dallas, Texas | 260th | 369,438 |
| INTEGRITY INSURANCE COMPANY<br>Paramus, New Jersey | 53rd | 423,396 |
| INTERCONTINENTAL INSURANCE COMPANY<br>Chicago, Illinois | 250th | 480,166 |
| INTERNATIONAL FIDELITY LIFE INSURANCE COMPANY<br>Fort Worth, Texas | 53rd | 431,927 |
| IOWA NATIONAL MUTUAL INSURANCE COMPANY<br>Cedar Rapids, Iowa | 147th | 389,578 |
| JUSTICE LIFE INSURANCE COMPANY<br>Dallas, Texas | 147th | 488,693 |
| KENILWORTH INSURANCE COMPANY<br>Chicago, Illinois | 250th | 333,783 |
| KEYSTONE LIFE INSURANCE COMPANY<br>Dallas, Texas | 98th | 414,622 |
| KNICKERBOCKER LIFE INSURANCE COMPANY<br>El Paso, Texas | 200th | 463,954 |
| LIFE OF INDIANA INSURANCE COMPANY<br>Indianapolis, Indiana | 98th | 487,416 |
| LLOYDS OF AMERICA INSURANCE COMPANY<br>Houston, Texas | 299th | 340,036 |
| LLOYD'S TEXAS and LLOYD'S TEXAS UNDERWRITERS, INC.<br>Houston, Texas | 201st | 443,913 |

| | | |
|---|---|---|
| LLOYD'S U.S. AND LLOYD'S U.S. CORP.<br>Dallas, Texas | 261st | 484,402 |
| LUMBERMENS LIFE INSURANCE COMPANY<br>Indianapolis, Indiana | 353rd | 458,981 |
| MAXEY INSURANCE AGENCY aka<br>MAXEY INSURANCE, et al<br>Fort Worth, Texas | 167th | 467,360 |
| McINGVALE ASSOCIATES, GENERAL AGENCY, INC.<br>Dallas, Texas | 201st | 237,784 |
| METROPOLITAN TRUST COMPANY<br>Hurst, Texas | 167th | 328,912 |
| MIDLAND INSURANCE COMPANY<br>New York, New York | 299th | 398,238 |
| MINISTERS BENEFIT TRUST, et al<br>Hurst, Texas | 200th | 314,116 |
| MISSION INSURANCE COMPANY<br>Los Angeles, California | 261st | 413,411 |
| MISSION NATIONAL INSURANCE COMPANY<br>Los Angeles, California | 250th | 413,410 |
| MOBILE COUNTY MUTUAL INSURANCE COMPANY<br>Dallas, Texas | 201st | 237,783 |
| MOBILE INSURANCE COMPANY<br>Dallas, Texas | 201st | 237,782 |
| NATIONAL ALLIED INSURANCE COMPANY<br>OF TEXAS<br>Houston, Texas | 299th | 404,100 |
| NATIONAL BANKERS LIFE INSURANCE COMPANY<br>Dallas, Texas | 53rd | 188,463 |
| NATIONAL BENEFIT LIFE INSURANCE COMPANY<br>Fort Worth, Texas | 98th | 489,588 |
| NATIONAL COUNTY MUTUAL FIRE INSURANCE<br>COMPANY; WALKER GENERAL AGENCY, INC.;<br>and SOUTHERN LIFE INVESTMENT COMPANY<br>Dallas, Texas | 201st | 453,041 |
| NATIONAL INVESTORS LIFE INSURANCE COMPANY<br>Little Rock, Arkansas | 126th | 373,107 |
| NORTH AMERICAN INSURANCE COMPANY, INC.,<br>JONATHAN P. SAUNDERS, et al<br>Addison, Texas | 201st | 422,596 |
| NORTH AMERICAN LLOYDS OF TEXAS<br>Amarillo, Texas | 147th | 465,214 |

| | | |
|---|---|---|
| NORTH TEXAS TITLE COMPANY<br>Terrell, Texas | 147th | 439,518 |
| THE OHIO GENERAL INSURANCE COMPANY<br>Overland Park, Kansas | 299th | 485,701 |
| OLD NATIONAL INSURANCE COMPANY, AN ALABAMA CORPORATION, et al<br>Montgomery, Alabama | 53rd | 179,459 |
| OLD NATIONAL INSURANCE COMPANY<br>Houston, Texas | 167th | 212,596 |
| PACIFIC AMERICAN INSURANCE COMPANY<br>Wilmington, Delaware | 98th | 368,614 |
| PACIFIC MARINE INSURANCE COMPANY<br>Seattle, Washington | 261st | 471,507 |
| PAXTON NATIONAL INSURANCE COMPANY<br>Harrisburg, Pennsylvania | 53rd | 471,869 |
| PETROSURANCE CASUALTY COMPANY<br>Oklahoma City, Oklahoma | 167th | 487,888 |
| PHOENIX ASSURANCE AGENCY AND PHOENIX ADJUSTMENT SERVICES<br>Houston, Texas | 200th | 276,493 |
| PHOENIX FIDELITY LIFE INSURANCE COMPANY<br>Phoenix, Arizona | 200th | 276,493 |
| PREFERRED EMPLOYERS INSURANCE COMPANY<br>Houston, Texas | 261st | 415,359 |
| PREMIER GROUP SERVICES, INC.<br>Dallas, Texas | 167th | 338,208 |
| PREMIER NATIONAL AGENCY, INC.<br>Dallas, Texas | 147th | 338,207 |
| PREMIER NATIONAL LIFE INSURANCE COMPANY<br>Dallas, Texas | 126th | 338,206 |
| PROFESSIONAL MUTUAL INSURANCE COMPANY<br>Kansas City, Missouri | 126th | 433,666 |
| PROFESSIONAL RISK MANAGEMENT, INC.<br>Houston, Texas | 167th | 426,272 |
| PROPRIETORS' INSURANCE COMPANY<br>Delaware, Ohio | 126th | 324,504 |
| REGENT LIFE INSURANCE COMPANY<br>Plano, Texas | 53rd | 473,034 |
| RESERVE INSURANCE COMPANY<br>Chicago, Illinois | 147th | 290,961 |

| | | |
|---|---|---|
| SECURITY SOUTHWEST LIFE INSURANCE COMPANY<br>El Paso, Texas | 331st | 475,275 |
| S & H INSURANCE COMPANY, A CALIFORNIA CORPORATION<br>Los Angeles, California | 331st | 382,945 |
| SIGNAL INSURANCE LLOYDS COMPANY<br>Austin, Texas | 98th | 407,304 |
| SOCIEDAD MUTUALISTA MEXICANA MONTE DE LAS CRUCES<br>San Antonio, Texas | 53rd | 288,672 |
| SOUTHEAST INDEMNITY COMPANY<br>Houston, Texas | 53rd | 372,995 |
| SOUTHERN GENERAL LIFE INSURANCE COMPANY OF TEXAS<br>Irving, Texas | 98th | 461,908 |
| SOUTHERN INTERNATIONAL INSURANCE COMPANY, LTD.<br>Grand Cayman Islands,<br>British West Indies | 261st | 434,716 |
| SOUTHERN NATIONAL LIFE INSURANCE COMPANY, et al<br>Bedford, Texas | 167th | 474,398 |
| SOUTHWEST AMERICAN LLOYDS INSURANCE COMPANY, et al<br>Garland, Texas | 98th | 481,060 |
| STONE MOUNTAIN INSURANCE COMPANY<br>Atlanta, Georgia | 261st | 458,717 |
| SUMMIT TITLE COMPANY, INC.<br>Houston, Texas | 53rd | 429,896 |
| SUPERIOR LLOYDS INSURANCE COMPANY<br>Mesquite, Texas | 167th | 341,838 |
| SURETY INSURANCE COMPANY OF CALIFORNIA<br>La Habra, California | 331st | 369,052 |
| TEXAS CONSUMER LIFE INSURANCE COMPANY<br>Waco, Texas | 147th | 474,729 |
| TEXAS FIDELITY LIFE INSURANCE COMPANY<br>Nocona, Texas | 331st | 393,480 |
| TEXAS FIRE AND CASUALTY COMPANY<br>Dallas, Texas | 53rd | 396,246 |
| TEXAS HEALTH PLANS, INC., et al<br>Houston, Texas | 250th | 312,722 |

| | | |
|---|---|---|
| TEXAS INDEPENDENT SCHOOL SYSTEMS ASSOCIATION, et al<br>Waco, Texas | 167th | 453,731 |
| TEXAS INSURANCE COMPANY<br>Houston, Texas | 98th | 471,559 |
| TEXAS INVESTORS LIFE INSURANCE COMPANY<br>Dallas, Texas | 250th | 468,806 |
| TEXAS NATIONAL INSURANCE COMPANY<br>Dallas, Texas | 147th | 456,750 |
| TEXAS NATIONAL TITLE CO., INC.<br>Houston, Texas | 126th | 467,820 |
| TEXAS REPUBLIC TITLE COMPANY<br>Houston, Texas | 261st | 386,183 |
| TEXAS RETAILERS ASSOCIATION GROUP BENEFIT TRUST<br>Austin, Texas | 98th | 414,653 |
| TITLE USA INSURANCE CORPORATION, ET AL<br>Irving, Texas | 53rd | 473,254 |
| TRANSIT CASUALTY COMPANY<br>Earth City, Missouri | 261st | 389,526 |
| U.S. ANNUITY LIFE INSURANCE COMPANY, Houston, Texas; JOSEPH PARILLO; and U.S. ANNUITY LIFE INSURANCE COMPANY, A LIFE INSURANCE HOLDING COMPANY<br>Baton Rouge, Louisiana | 147th | 464,033 |
| UNION FIDELITY AND GUARANTY CORPORATION, LTD., et al<br>Georgetown, Cayman Island, British West Indies | 250th | 317,534 |
| UNION INDEMNITY INSURANCE COMPANY OF NEW YORK<br>New York, New York | 261st | 388,995 |
| UNITED BANKERS LIFE INSURANCE COMPANY<br>Dallas, Texas | 147th | 341,129 |
| UNITED CAPITAL LIFE INSURANCE COMPANY<br>Houston, Texas | 200th | 314,515 |
| UNITED EMPLOYERS INSURANCE COMPANY<br>Houston, Texas | 53rd | 384,361 |
| UNITED TRAVELERS INSURANCE COMPANY<br>Brownwood, Texas | 353rd | 470,329 |
| UNIVERSITY LIFE INSURANCE COMPANY OF AMERICA<br>Indianapolis, Indiana | 250th | 373,053 |

| | | |
|---|---|---|
| WESTERN HERITAGE LIFE INSURANCE COMPANY<br>Madill, Oklahoma | 126th | 440,248 |
| WESTERN PREFERRED CASUALTY COMPANY<br>Englewood, Colorado | 167th | 399,371 |

## TEXAS PROPERTY & CASUALTY
## INSURANCE GUARANTY ASSOCIATION

### Statement of Cash Receipts & Disbursements
### for the Period September 1, 1989 - August 31, 1990
### (UNAUDITED)

| | Totals | Other Lines |
|---|---|---|
| Balance as of September 1, 1990 | $ 11,546,105.48 | $ 4,662,634.13 |
| Receipts | | |
| Interest On Accounts | 2,440,572.78 | 278,022.48 |
| Transfers From: | | |
| Administrative | 266,472.08 | 128,087.35 |
| Auto | 5,960,269.02 | 5,338.81 |
| Collection | 59,784,397.01 | 14,032,450.00 |
| Draw | 3,211,222.42 | 500,000.00 |
| Other Lines | 2,017,310.22 | |
| Workers Comp | 548,818.96 | |
| December 1988 Assessment | 106,960.00 | |
| October 1989 Assessment | 60,230,295.00 | |
| Texas Commerce Bank - Draw | 3,000,000.00 | |
| Loan Repayments: | | |
| Mobile County Mutual Ins. Co. | 133,500.00 | |
| Manufacturers & Wholesalers | 133,838.56 | |
| Security Casualty Co. | 7,154.00 | |
| Kenilworth Insurance Co. | 31,665.00 | |
| Lloyds of America | 345,000.00 | |
| Equitable Ins. Exchange | 121,000.00 | |
| Superior Lloyds | 50,000.00 | |
| Aspen Indemnity Ins. Co. | 14,488.03 | 3,988.03 |
| Southeastern Indemnity Co. | 67,000.00 | |
| Early American | 49,895.41 | |
| Eastern Endemnity of Maryland | 50,000.00 | |
| United Employers Ins. Co. | 41,000.00 | |
| Transit Casualty | 300,000.00 | |
| Carriers Insurance Co. | 265,000.00 | |
| Signal Insurance Lloyds | 54,000.00 | |
| Mission National Ins. Co. | 50,285.30 | |
| Preferred Employers Ins. Co. | 18,082.10 | |
| Contractors Ins. Exchange | 285,390.01 | |
| Best Lloyds Insurance Co. | 1,000,000.00 | |
| Commodore County Mutual | 444,552.00 | 100,000.00 |
| Total Receipts | 141,028,167.90 | 15,047,886.67 |
| Total Funds Available | 152,574,273.38 | 19,710,520.80 |

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1989 - August 31, 1990
(UNAUDITED)

| Worker's Compensation | Auto | Administrative | Collection | Draw |
|---|---|---|---|---|
| $ 5,822,783.76 | $ 400,214.53 | $ 137,451.06 | $ 122,022.00 | $ 401,000.00 |
| 258,077.32 | 251,266.39 | 1,518,868.03 | 124,116.14 | 10,222.42 |
| 69,820.00 | 68,564.73 | | | |
| 3,502.65 | | 126,884.12 | | 5,824,543.44 |
| 5,016,635.00 | 40,639,695.00 | 95,617.01 | | |
| | 1,600,000.00 | 1,111,222.42 | | |
| 335,000.00 | | 207,462.41 | | 1,474,847.81 |
| | | 209,741.46 | | 339,077.50 |
| | | 106,960.00 | | |
| | | | 60,230,295.00 | |
| | | | | 3,000,000.00 |
| | | 133,500.00 | | |
| | | 133,838.56 | | |
| | | 7,154.00 | | |
| 2,665.00 | | 29,000.00 | | |
| | | 345,000.00 | | |
| | | 121,000.00 | | |
| | | 50,000.00 | | |
| | | 10,500.00 | | |
| | | 67,000.00 | | |
| | 49,895.41 | | | |
| | | 50,000.00 | | |
| | | 41,000.00 | | |
| | 300,000.00 | | | |
| | | 265,000.00 | | |
| | | 54,000.00 | | |
| | | 50,285.30 | | |
| | | 18,082.10 | | |
| | | 285,390.01 | | |
| | | 1,000,000.00 | | |
| | 344,552.00 | | | |
| 5,685,699.97 | 43,253,973.53 | 6,037,505.42 | 60,354,411.14 | 10,648,691.17 |
| 11,508,483.73 | 43,654,188.06 | 6,174,956.48 | 60,476,433.14 | 11,049,691.17 |

## TEXAS PROPERTY & CASUALTY
## INSURANCE GUARANTY ASSOCIATION

### Statement of Cash Receipts & Disbursements
### for the Period September 1, 1989 - August 31, 1990
### (UNAUDITED)

| | Totals | Other Lines |
|---|---|---|
| Disbursements | | |
| Transfers To: | | |
| Administrative | 1,750,927.42 | 207,462.41 |
| Auto | 42,308,259.73 | |
| Drew | 7,638,468.75 | 1,474,847.81 |
| Other Lines | 14,665,876.16 | |
| Worker's Compensation | 5,424,957.65 | 335,000.00 |
| Unauthorized | 208,795.00 | |
| Assessment Refunds | 433,180.00 | |
| Texas Commerce Bank - Note Payment | 7,500,000.00 | |
| Loans To Receiverships: | | |
| Kenilworth Ins. Co. | 10,000.00 | 10,000.00 |
| Superior Lloyds Ins. | 4,000.00 | |
| Excalibur Insurance Co. | 60,000.00 | |
| Surety Ins. Co. of Calif. | 78,500.00 | |
| Southeast Indemnity | 100,000.00 | |
| Ideal Mutual Ins. of N.Y. | 510,000.00 | 420,000.00 |
| Early American Ins. Co. | 152,000.00 | 100,000.00 |
| Eastern Indemnity of Maryland | 395,000.00 | 220,000.00 |
| Columbus Insurance Co. | 50,000.00 | 40,000.00 |
| United Employers Ins. | 12,000.00 | |
| Union Indemnity of New York | 40,000.00 | |
| Transit Casualty Co. | 550,000.00 | 120,000.00 |
| Iowa National Mutual | 25,000.00 | 25,000.00 |
| Carriers Insurance Co. | 140,000.00 | |
| American Fidelity Fire | 500.00 | |
| Midland Insurance Co. | 710,000.00 | |
| American Druggists' Ins. Co. | 6,000.00 | |
| Western Preferred Casualty | 115,000.00 | |
| Allied Fidelity Ins. Co. | 385,500.00 | 100,000.00 |
| National Allied Ins. Co. | 503,066.40 | 60,000.00 |
| Dexter Lloyds | 20,000.00 | |
| Mission National Ins. Co. | 175,000.00 | |
| Preferred Employers Ins. Co. | 175,000.00 | |
| Contractors Insurance Exch. | 200,000.00 | |
| Citizens National Assur. Co. | 473,000.00 | 50,000.00 |
| Professional Mutual Ins. Co. | 2,076,000.00 | 1,950,000.00 |
| Homeland Insurance Co. | 252,000.00 | |
| Holland-America | 100,000.00 | 100,000.00 |
| Best Lloyds Insurance Co. | 3,130,000.00 | |
| Lloyds, Texas | 810,000.00 | |

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1989 - August 31, 1990
(UNAUDITED)

| Worker's Compensation | Auto | Administrative | Collection | Draw |
|---|---|---|---|---|
| 209,741.46 | 126,884.12 |  | 95,617.01 | 1,111,222.42 |
|  |  | 68,564.73 | 40,639,695.00 | 1,600,000.00 |
| 339,077.50 | 5,824,543.44 |  |  |  |
|  | 5,338.81 | 128,087.35 | 14,032,450.00 | 500,000.00 |
|  | 3,502.65 | 69,820.00 | 5,016,635.00 |  |
|  |  |  | 208,795.00 |  |
|  |  |  | 433,180.00 |  |
| 0.00 |  |  |  | 7,500,000.00 |
|  |  | 4,000.00 |  |  |
|  | 60,000.00 |  |  |  |
|  |  | 78,500.00 |  |  |
| 100,000.00 |  |  |  |  |
| 75,000.00 |  | 15,000.00 |  |  |
|  |  | 52,000.00 |  |  |
|  |  | 175,000.00 |  |  |
|  |  | 10,000.00 |  |  |
|  |  | 12,000.00 |  |  |
|  |  | 40,000.00 |  |  |
|  |  | 430,000.00 |  |  |
|  | 110,000.00 | 30,000.00 |  |  |
|  | 500.00 |  |  |  |
| 485,000.00 |  | 225,000.00 |  |  |
|  |  | 6,000.00 |  |  |
|  | 115,000.00 |  |  |  |
|  | 195,000.00 | 90,500.00 |  |  |
| 398,066.40 |  | 45,000.00 |  |  |
|  |  | 20,000.00 |  |  |
| 175,000.00 |  |  |  |  |
| 175,000.00 |  |  |  |  |
| 200,000.00 |  |  |  |  |
| 100,000.00 | 210,000.00 | 113,000.00 |  |  |
|  |  | 126,000.00 |  |  |
| 200,000.00 |  | 52,000.00 |  |  |
|  | 3,025,000.00 | 105,000.00 |  |  |
| 760,000.00 | 50,000.00 |  |  |  |

## TEXAS PROPERTY & CASUALTY
## INSURANCE GUARANTY ASSOCIATION

### Statement of Cash Receipts & Disbursements
### for the Period September 1, 1989 - August 31, 1990
(UNAUDITED)

| | Totals | Other Lines |
|---|---|---|
| Disbursements (Continued) | | |
| National County Mutual Fire | 11,885,000.00 | 1,850,000.00 |
| Texas National Ins. Co. | 171,000.00 | 120,500.00 |
| Stone Mountain Ins. Co. | 543,500.00 | 215,000.00 |
| Empire Casualty Co. | 543,000.00 | 500,000.00 |
| American Mutual Liab. Ins. | 988,000.00 | |
| N. American Lloyds of Texas | 3,611,000.00 | 1,415,500.00 |
| First Southwest Lloyds | 3,651,000.00 | 2,875,500.00 |
| General Indemnity Ins. Co. | 1,676,000.00 | 725,500.00 |
| Pacific Marine Ins. Co. | 308,000.00 | 100,000.00 |
| Texas Insurance Co. | 4,086,000.00 | 490,500.00 |
| Paxton National | 161,000.00 | 100,000.00 |
| Great Atlantic | 36,000.00 | |
| Cadillac Insurance Co. | 36,000.00 | |
| First National Indemnity | 466,000.00 | 500.00 |
| Southwest American Lloyds | 575,000.00 | 450,000.00 |
| Essex Lloyds, Insurance | 100,000.00 | |
| Intercontinental Ins. Co. | 110,000.00 | |
| Lloyds U.S. | 300,000.00 | 100,000.00 |
| Commodore County Mutual | 2,100,000.00 | |
| Western Lloyds | 1,793,000.00 | |
| Interest Expense | 338,468.75 | |
| Legal Expenses | 326,039.01 | |
| Audit Expenses | 1,889.00 | |
| Consulting Expenses | 24,520.78 | |
| Miscellaneous Expenses | 14,492.00 | |
| Total Disbursements | 125,032,940.65 | 14,155,310.22 |
| Balance as of August 31, 1990 | $ 27,541,332.73 | $ 5,555,210.58 |

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION

Statement of Cash Receipts & Disbursements
for the Period September 1, 1989 - August 31, 1990
(UNAUDITED)

| Worker's Compensation | Auto | Administrative | Collection | Draw |
|---|---|---|---|---|
| | 8,460,000.00 | 1,575,000.00 | | |
| | 50,500.00 | | | |
| | 200,000.00 | 128,500.00 | | |
| | | 43,000.00 | | |
| 895,000.00 | | 93,000.00 | | |
| | 2,195,500.00 | | | |
| | 775,500.00 | | | |
| | 950,500.00 | | | |
| 160,000.00 | | 48,000.00 | | |
| | 3,380,500.00 | 215,000.00 | | |
| | 35,000.00 | 26,000.00 | | |
| | | 36,000.00 | | |
| | 10,000.00 | 26,000.00 | | |
| 100,000.00 | 365,500.00 | | | |
| | 125,000.00 | | | |
| | 100,000.00 | | | |
| 100,000.00 | | 10,000.00 | | |
| 100,000.00 | 100,000.00 | | | |
| | 2,000,000.00 | 100,000.00 | | |
| | 1,793,000.00 | | | |
| | | | | 338,468.75 |
| | | 326,039.01 | | |
| | | 1,889.00 | | |
| | | 24,520.78 | | |
| | | 14,492.00 | | |
| 4,571,885.36 | 30,266,769.02 | 4,562,912.87 | 60,426,372.01 | 11,049,691.17 |
| $ 6,936,598.37 | $ 13,387,419.04 | $ 1,612,043.61 | $ 50,061.13 | $ 0.00 |

## TEXAS PROPERTY & CASUALTY
## INSURANCE GUARANTY ASSOCIATION

### Statement of Cash Receipts & Disbursements
### for the Period September 1, 1989 - August 31, 1990
(UNAUDITED)

Balance Consists of:

| | |
|---|---|
| **Other Lines Account** | |
| Cash in Banks | $ 288,154.93 |
| Money Market Fund | 5,267,055.65 |
| | 5,555,210.58 |
| **Workers Comp. Account** | |
| Cash in Banks | 428,572.48 |
| Money Market Fund | 6,508,025.89 |
| | 6,936,598.37 |
| **Auto Account** | |
| Cash in Banks | 366,820.57 |
| Money Market Fund | 13,020,598.47 |
| | 13,387,419.04 |
| **Administrative Account** | |
| Cash in Banks | 1,590,013.20 |
| Money Market Fund | 22,030.41 |
| | 1,612,043.61 |
| **Collection Account** | |
| Cash in Banks | 50,061.13 |
| | 50,061.13 |
| Total Funds August 31, 1990 | $ 27,541,332.73 |

## TEXAS PROPERTY & CASUALTY INSURANCE
## GUARANTY ASSOCIATION - NON-MEMBER

### Statement of Cash Receipts and Disbursements
### for the Period September 1, 1989 - August 31, 1990
### (UNAUDITED)

| | |
|---|---|
| Balance as of September 1, 1989 | $ 465,389.52 |
| **Receipts:** | |
| Interest on Accounts | 36,842.63 |
| October 1989 Assessment | 1,014,290.00 |
| Loan Repayments: | |
| Commonwealth Marine | 3,000.00 |
| Southwestern Surplus | 1,740.06 |
| Walker General Agency | 39,794.90 |
| Total Receipts | $ 1,095,667.59 |
| Total Funds Available | $ 1,561,057.11 |
| **Disbursements:** | |
| Assessment Refunds | 7,110.00 |
| Texas Commerce Bank - Note Payment | 1,000,000.00 |
| Interest Expense | 111,680.55 |
| Loans to Receiverships: | |
| Pioneer Casualty Co. | 1,000.00 |
| Action Insurance Agency | 1,500.00 |
| Commonwealth Marine | 3,000.00 |
| American Insurance Group, Ltd. | 1,000.00 |
| George D. Albright | 1,000.00 |
| Gulf Coast Insurance Co. | 2,000.00 |
| Christian Brotherhood | 20,000.00 |
| Maxey Insurance Agency | 25,000.00 |
| Financial Services - Houston | 110,000.00 |
| Total Disbursements | $ 1,283,290.55 |
| Balance as of August 31, 1990 | $ 277,766.56 |
| **Balance Consists of:** | |
| Cash in Bank: | |
| Texas Commerce Bank | $ 247,191.98 |
| Fidelity Mutual Fund | 30,574.58 |
| Balance as of August 31, 1990 | $ 277,766.56 |

## TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
## INSURANCE GUARANTY ASSOCIATION

### Statement of Cash Receipts & Disbursements
### for the Period September 1, 1989 - August 31, 1990
### (UNAUDITED)

| | Totals | Accident & Health | Life |
|---|---|---|---|
| Balance as of September 1, 1989 | $ 5,978,086.86 | $ 1,654,032.01 | $ 334,766.01 |
| Receipts | | | |
| Interest on Accounts | 1,788,701.27 | 118,548.23 | 41,862.40 |
| Transfers From: | | | |
| Accident & Health | 3,411,963.19 | | 2,700,000.00 |
| Annuity | 6,712,095.22 | 1,000,000.00 | 4,500,000.00 |
| Annuity Collection | 2,009,510.25 | | 500,000.00 |
| Collection | 48,566,840.58 | 12,323,295.00 | 30,825,890.00 |
| Draw | 7,041,676.96 | 6,101,001.89 | |
| Expense | 606,078.25 | 544,474.68 | 61,603.57 |
| Life | 187,343.23 | | |
| Texas Commerce Bank - Draw | 66,120,000.00 | 17,120,000.00 | 20,050,000.00 |
| July 1989 Annuity Assessment | 473,513.24 | | |
| October 1989 A & H Assessment | 62,708,440.67 | | |
| Overpayment by Foreign Receiver | 64,158.33 | | |
| Loan Repayments: | | | |
| General Protective Life | 4,500.00 | | |
| United Capitol Life Ins. Co. | 56,000.00 | | |
| Iowa State Travelers Mutual | 584,585.63 | | |
| Independent Bankers Life | 60,000.00 | | |
| Independent Standard Ins. Co. | 35,000.00 | | |
| Continental Service Life | 7,674.96 | | |
| Keystone Life Ins. Co. | 70,906.70 | | |
| International Fidelity Life | 633,000.00 | | |
| Consolidated Savings Life | 50,000.00 | | |
| First Transcontinental Life | 120,000.00 | 120,000.00 | |
| Diamond Benefits Life | 4,497.57 | | |
| Southern General Insurance | 10,000.00 | | |
| American Teachers Life | 429,000.00 | | |
| Knickerbocker Life Ins. | 1,194,400.42 | | |
| Texas Investors Life | 20,648.54 | | |
| United Savings Life | 2,462.65 | | |
| Total Receipts | 202,972,997.66 | 37,327,319.80 | 58,679,355.97 |
| Total Funds Available | 208,951,084.52 | 38,981,351.81 | 59,014,121.98 |

## TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
## INSURANCE GUARANTY ASSOCIATION

### Statement of Cash Receipts & Disbursements
### for the Period September 1, 1989 - August 31, 1990
### (UNAUDITED)

| Annuity | Annuity Collection | Expense | Collection | Draw |
|---:|---:|---:|---:|---:|
| $ 367,636.24 | $ 1,546,282.95 | $ 256,797.76 | $ 17,570.00 | $ 1,801,001.89 |
| 142,924.37 | 9,551.62 | 1,212,695.98 | 222,443.60 | 40,675.07 |
|  |  | 61,162.40 | 200,000.00 | 450,800.79 |
|  |  | 102,577.57 |  | 1,109,517.65 |
| 1,500,000.00 |  | 9,510.25 |  |  |
| 5,215,770.00 |  | 201,885.58 |  |  |
| 200,000.00 |  | 740,675.07 |  |  |
|  |  | 27,441.92 |  | 159,901.31 |
| 23,750,000.00 |  |  |  | 5,200,000.00 |
|  | 473,513.24 |  |  |  |
|  |  |  | 62,708,440.67 |  |
|  |  | 64,158.33 |  |  |
|  |  | 4,500.00 |  |  |
|  |  | 56,000.00 |  |  |
|  |  | 584,585.63 |  |  |
|  |  | 60,000.00 |  |  |
|  |  | 35,000.00 |  |  |
|  |  | 7,674.96 |  |  |
|  |  | 70,906.70 |  |  |
|  |  | 633,000.00 |  |  |
|  |  | 50,000.00 |  |  |
|  |  | 4,497.57 |  |  |
|  |  | 10,000.00 |  |  |
|  |  | 429,000.00 |  |  |
| 1,194,400.42 |  |  |  |  |
|  |  | 20,648.54 |  |  |
|  |  | 2,462.65 |  |  |
| 32,003,094.79 | 483,064.86 | 4,388,383.15 | 63,130,884.27 | 6,960,894.82 |
| 32,370,731.03 | 2,029,347.81 | 4,645,180.91 | 63,148,454.27 | 8,761,896.71 |

## TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE INSURANCE GUARANTY ASSOCIATION

### Statement of Cash Receipts & Disbursements for the Period September 1, 1989 - August 31, 1990

(UNAUDITED)

| | Totals | Accident & Health | Life |
|---|---|---|---|
| Disbursements | | | |
| Transfers To: | | | |
| Accident & Health | 19,968,771.57 | | |
| Annuity | 6,915,770.00 | | |
| Collection | 200,000.00 | 200,000.00 | |
| Draw | 1,720,219.75 | 450,800.79 | 159,901.31 |
| Expense | 1,143,252.79 | 61,162.40 | 27,441.92 |
| Life | 38,587,493.57 | 2,700,000.00 | |
| Texas Commerce Bank - Note Payment | 40,000,000.00 | | 40,000,000.00 |
| Assessment Refunds | 12,631,767.90 | | |
| Loans To Receiverships: | | | |
| First United Life Ins. Co. | 3,000.00 | | |
| National Investors Life Ins. | 5,000.00 | | |
| Continental Service Life | 10,500.00 | 10,500.00 | |
| Texas Fidelity Life Ins. Co. | 15,000.00 | | |
| Continental Bankers Life Ins. | 80,277.00 | 277.00 | 50,000.00 |
| Hermitage Health and Life | 50,000.00 | 50,000.00 | |
| Keystone Life Ins. Co. | 95,000.00 | 50,000.00 | |
| International Fidelity Life | 250,000.00 | 250,000.00 | |
| Farm & Ranch Life Ins. Co. | 19,000.00 | 10,000.00 | 5,000.00 |
| Western Heritage Life Ins. | 50,000.00 | 50,000.00 | |
| Consolidated Savings Life | 70,000.00 | 70,000.00 | |
| First Columbia Life Ins. | 3,593,000.00 | 2,878,000.00 | 30,000.00 |
| First Transcontinental Life | 210,000.00 | 150,000.00 | |
| Gibson National Life Ins. | 3,520,754.00 | 1,450,254.00 | 900,500.00 |
| Lumbermen's Life Ins. Co. | 170,000.00 | 160,000.00 | |
| Southern General Life Ins. | 495,000.00 | 420,000.00 | 50,000.00 |
| American Teachers Life | 2,828,341.00 | 1,500,372.00 | 191,395.00 |
| Knickerbocker Life Ins. Co. | 24,312,327.04 | 163,591.00 | 2,118,871.00 |
| U.S. Annuity Life Ins. Co. | 65,000.00 | | |
| G.I.C. Insurance Co. | 16,892,255.00 | 16,150,000.00 | 372,255.00 |
| Americana Life Insurance | 50,000.00 | | |
| American Underwriters Life | 64,000.00 | | 54,000.00 |
| Confidence Life Ins. | 27,658.49 | | 17,658.49 |
| Consolidated Benefit Health | 275,000.00 | 225,000.00 | |
| Texas Investors Life Ins. | 1,740,000.00 | 1,600,000.00 | 100,000.00 |
| Galaxie Life Ins. Co. | 1,515,000.00 | 1,260,000.00 | 225,000.00 |
| Amalgamated Labor Life Ins. | 111,000.00 | 100,000.00 | |
| Regent Life Ins. Co. | 300,000.00 | 234,754.00 | 65,246.00 |
| California Pacific Life | 88,000.00 | 50,000.00 | 20,000.00 |
| United Savings Life | 10,000.00 | | |
| Southern National Life | 4,685,000.00 | 3,240,000.00 | 960,000.00 |
| Texas Consumer Life | 548,348.00 | 325,179.00 | 223,169.00 |
| American Equitable Life | 1,375,748.00 | 763,428.00 | 602,320.00 |
| American Sun Life Ins. Co. | 207,600.00 | 182,600.00 | |
| Allied Bankers Life | 3,599,648.00 | 2,185,360.00 | 1,409,288.00 |
| Great Southwest Life | 11,872,476.00 | 1,779,272.00 | 10,093,204.00 |
| Life of Indiana | 211,657.00 | | |
| Consulting Expenses | 31,893.78 | | |
| Legal Expenses | 55,314.97 | | |
| Audit Expenses | 3,768.00 | | |
| Interest Expense | 2,886,886.41 | | 1,166,666.66 |
| Miscellaneous Expenses | 2,473.01 | | |
| Total Disbursements | 203,563,701.28 | 38,720,550.19 | 58,841,916.38 |
| Balance as of August 31, 1990 | $ 5,387,383.24 | $ 260,801.62 | $ 172,205.60 |

## TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE INSURANCE GUARANTY ASSOCIATION

### Statement of Cash Receipts & Disbursements
### for the Period September 1, 1989 - August 31, 1990
### (UNAUDITED)

| Annuity | Annuity Collection | Expense | Collection | Draw |
|---|---|---|---|---|
| 1,000,000.00 | | 544,474.68 | 12,323,295.00 | 6,101,001.89 |
| | 1,500,000.00 | | 5,215,770.00 | 200,000.00 |
| 1,109,517.65 | | | | |
| 102,577.57 | 9,510.25 | | 201,885.58 | 740,675.07 |
| 4,500,000.00 | 500,000.00 | 61,603.57 | 30,825,890.00 | |
| 102,659.65 | | | 12,529,108.25 | |
| | | 3,000.00 | | |
| | | 5,000.00 | | |
| | | 15,000.00 | | |
| | | 30,000.00 | | |
| | | 45,000.00 | | |
| | | 4,000.00 | | |
| 620,000.00 | | 65,000.00 | | |
| | | 60,000.00 | | |
| 1,170,000.00 | | | | |
| | | 10,000.00 | | |
| | | 25,000.00 | | |
| 1,137,074.00 | | | | |
| 21,869,865.04 | | 160,000.00 | | |
| 65,000.00 | | | | |
| | | 370,000.00 | | |
| | | 50,000.00 | | |
| | | 10,000.00 | | |
| | | 10,000.00 | | |
| | | 50,000.00 | | |
| | | 40,000.00 | | |
| 10,000.00 | | 20,000.00 | | |
| | | 11,000.00 | | |
| | | 18,000.00 | | |
| | | 10,000.00 | | |
| 450,000.00 | | 35,000.00 | | |
| 10,000.00 | | | | |
| | | 25,000.00 | | |
| 5,000.00 | | | | |
| 211,657.00 | | | | |
| | | 31,893.78 | | |
| | | 55,314.97 | | |
| | | 3,768.00 | | |
| | | | | 1,720,219.75 |
| | | 2,473.01 | | |
| 32,363,350.91 | 2,009,510.25 | 1,770,528.01 | 61,095,948.83 | 8,761,896.71 |
| $ 7,380.12 | $ 19,837.56 | $ 2,874,652.90 | $ 2,052,505.44 | $ 0.00 |

## TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
## INSURANCE GUARANTY ASSOCIATION

### Statement of Cash Receipts & Disbursements
### for the Period September 1, 1989 - August 31, 1990
### [UNAUDITED]

Balance Consists of:

| | |
|---|---|
| **Accident & Health Account** | |
| Cash in Bank | $ 260,801.62 |
| | 260,801.62 |
| **Life Account** | |
| Cash in Bank | 172,205.60 |
| | 172,205.60 |
| **Annuity Account** | |
| Cash in Bank | 7,380.12 |
| | 7,380.12 |
| **Annuity Collection Account** | |
| Cash in Bank | 19,837.56 |
| | 19,837.56 |
| **Expense Account** | |
| Cash in Bank | 2,874,652.90 |
| | 2,874,652.90 |
| **A&H/Life Collection Account** | |
| Cash in Bank | 2,052,505.44 |
| | 2,052,505.44 |
| Balance as of August 31, 1990 | $ 5,387,383.24 |

## *Texas Life, Accident, Health & Hospital Service Insurance Guaranty Association (Non-Member)*

## TEXAS LIFE, ACCIDENT, HEALTH & HOSPITAL SERVICE INSURANCE GUARANTY ASSOCIATION - NON-MEMBER

### Statement of Cash Receipts and Disbursements for the Period September 1, 1989 - August 31, 1990

(UNAUDITED)

| | |
|---|---|
| Balance as of September 1, 1989 | $ 23,427.54 |
| Receipts: | |
| Interest on Accounts | 13,027.73 |
| September 1989 Assessment | 503,580.00 |
| Loan Repayments: | |
| Empire Life Ins. Co. of America | 10,000.00 |
| Metrocare, Inc. | 5,000.00 |
| Texas Commerce Bank - Note Payable | 500,000.00 |
| Total Receipts | $ 1,031,607.73 |
| Total Funds Available | $ 1,055,035.27 |
| Disbursements: | |
| Texas Commerce Bank - Note Payment | 500,000.00 |
| Interest Expense | 55,840.27 |
| Receivership Loans: | |
| National Bankers Life | 3,000.00 |
| Limestone Life Ins Assoc. | 1,000.00 |
| Christian Org. Medical Society | 57,000.00 |
| James D. Atkins | 1,000.00 |
| Total Disbursements | $ 617,840.27 |
| Balance as of August 31, 1990 | $ 437,195.00 |
| Balance Consists of: | |
| Cash in Bank: | |
| Texas Commerce Bank | $ 334,948.60 |
| Fidelity Mutual Fund | 102,246.40 |
| Balance as of August 31, 1990 | $ 437,195.00 |

## TEXAS TITLE INSURANCE GUARANTY ASSOCIATION

### Statement of Cash Receipts and Disbursements
### for the Period September 1, 1989 - August 31, 1990

(UNAUDITED)

| | |
|---|---|
| Balance as of September 1, 1989 | $ 1,133,794.89 |
| Receipts: | |
| Interest on Accounts | 285,672.80 |
| December 1989 Assessment | 5,560,457.64 |
| Recoupment Charges Collected | 1,378,934.64 |
| Title Fees Collected | 2,237,526.67 |
| Total Receipts | $ 9,462,591.75 |
| Total Funds Available | $ 10,596,386.64 |
| Disbursements: | |
| Texas Commerce Bank - Note Payment | 10,000.00 |
| Interest Expense | 250.59 |
| Audit Services | 1,732.00 |
| Legal Expense | 49,878.51 |
| Recoupment Fees Refunded | 1,260,076.91 |
| Title Fee Overpayments Refunded | 58.00 |
| Miscellaneous Expense | 300.00 |
| State Board of Insurance Operating Expenses: | |
| Office Rent | 5,976.48 |
| Office Supplies | 30.48 |
| Professional Seminar | 815.00 |
| Salaries - Title Examination | 157,982.82 |
| Telephone | 431.73 |
| Travel | 33,598.42 |
| Loans to Receiverships: | |
| Buffalo Title of Houston | 37,822.00 |
| Capital Title Co. | 7,700.00 |
| Federal Title Co. | 35,000.00 |
| First Houston Title Co. | 5,000.00 |
| North Texas Title Co. | 50,000.00 |
| Summit Title Co. | 98,500.00 |
| Texas National Title Co. | 20,000.00 |
| Title U.S.A. | 1,469,000.00 |
| Total Disbursements | $ 3,244,152.94 |
| Balance as of August 31, 1990 | $ 7,352,233.70 |
| Balance Consists of: | |
| Cash in Bank | |
| Texas Commerce Bank | $ 2,802,233.70 |
| Fidelity Mutual Funds | 4,550,000.00 |
| Balance as of August 31, 1990 | $ 7,352,233.70 |

*Liquidation Division - Assets, Liability and Excess or (Deficit) of Assets Over Liabilities*

Liquidation Division .f the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 190<br>Old Natl Ins Co of Alabama | 192<br>Pioneer Casualty Co | 201<br>National Bkrs Life Ins Co | 205<br>Great Liberty Life Ins Co | 206<br>First Fire & Casualty | 209<br>Empire Life Ins Co |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Cash In Bank | 387,587.52 | 5.57 | 685.76 | 1,959.57 | | 94.39 |
| Certificates of Deposit | | 44,064.69 | | | | |
| Receivables | 117,860.57 | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 505,448.09 | 44,070.26 | 685.76 | 1,959.57 | 0.00 | 94.39 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | 1,434,811.00 | | | 164,809.12 | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 19,000.00 | 14,000.00 | 11,500.00 | 5,000.00 | | |
| Liquidator Fund | | 12,800.00 | | | | |
| Abandoned Property Fund | | | | 50,000.00 | | |
| Accounts Payable | | 1,629.32 | 2,302,497.67 | 60,797.56 | | 1,739,280.81 |
| Notes Payable | 18,100.00 | | 2,720,826.88 | 126,200.00 | | |
| Total Liabilities | 1,471,911.00 | 28,429.32 | 5,034,824.55 | 406,806.68 | 0.00 | 1,739,280.81 |
| Equity Balance | (966,462.91) | 15,640.94 | (5,034,138.79) | (404,847.11) | 0.00 | (1,739,186.42) |
| Liabilities & Equity Balance | 505,448.09 | 44,070.26 | 685.76 | 1,959.57 | 0.00 | 94.39 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 209CF<br>Credit Factoring Inc | 213<br>Old Natl Ins Co of Texas | 227<br>Interstate Ins Co | 231<br>Mobile Ins Co | 232<br>Mobile County Mutual Ins Co | 233<br>McIngvale Assoc Gen Agc |
|---|---|---|---|---|---|---|
| **Assets:** | | | | | | |
| Cash In Bank | 11,070.54 | 103,924.70 | | 876,760.77 | 2,053,029.02 | 357,030.49 |
| Certificates of Deposit | | | | 3,019,364.27 | 513,443.41 | |
| Receivables | | 79,529.44 | | 95,279.49 | 15,000.00 | |
| Securities | | | | 30,745.00 | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | 350.00 | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 11,070.54 | 183,454.14 | 0.00 | 4,022,149.53 | 2,581,822.43 | 357,030.49 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | 120,576.25 | | | | |
| Property & Casualty | | | | | 283,165.50 | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 5,000.00 | | | 60,500.00 | | 27,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 15,954.36 | | | 1,125,326.17 | 25,948.44 | 268,333.22 |
| Notes Payable | | | | | | |
| Total Liabilities | 20,954.36 | 120,576.25 | 0.00 | 1,185,826.17 | 309,113.94 | 295,333.22 |
| Equity Balance | (9,883.82) | 62,877.89 | 0.00 | 2,836,323.36 | 2,272,708.49 | 61,697.27 |
| Liabilities & Equity Balance | 11,070.54 | 183,454.14 | 0.00 | 4,022,149.53 | 2,581,822.43 | 357,030.49 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 246PAS | 247 | 248 | 249 | 251 | 253 |
|---|---|---|---|---|---|---|
| Rec Name: | Phoenix Adj Serv | Phoenix Fidelity Life | General Protect Life | American Guar Life Ins Co | First America Surety Corp | Sociedad Mut Mexicana |
| Assets: | | | | | | |
| Cash In Bank | 26,438.85 | 68,427.96 | 522,418.17 | 42,733.82 | 832.12 | 6,444.79 |
| Certificates of Deposit | | | | | | |
| Receivables | | | 8,174.00 | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | 1,453.00 |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | 80.00 |
| Total Assets | 26,438.85 | 68,427.96 | 530,592.17 | 42,733.82 | 832.12 | 7,977.79 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | 1,393.69 | | | 80,493.52 | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 1,000.00 | 11,000.00 | 959,442.76 | 538,500.00 | 1,000.00 | 25,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | 24,800.00 |
| Accounts Payable | 261,107.60 | 1,526,319.28 | | | 20.67 | 60.00 |
| Notes Payable | | | | 742,725.00 | | |
| Total Liabilities | 262,107.60 | 1,538,712.97 | 959,442.76 | 1,281,225.00 | 81,514.19 | 49,860.00 |
| Equity Balance | (235,668.75) | (1,470,285.01) | (428,850.59) | (1,238,491.18) | (80,682.07) | (41,882.21) |
| Liabilities & Equity Balance | 26,438.85 | 68,427.96 | 530,592.17 | 42,733.82 | 832.12 | 7,977.79 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 254 | 256 | 257 | 258 | 259 | 260 |
|---|---|---|---|---|---|---|
| Rec Name: | Reserve Ins Co | Texas Health Plans Inc | Ministers Benefit Trust | United Capital Life Ins Co | Ray Medina & Union Fidelity | First United Life Ins Co |
| **Assets:** | | | | | | |
| Cash In Bank | 23,567.71 | 90,825.66 | 4,750.97 | 92,236.88 | 41,054.98 | 100,198.66 |
| Certificates of Deposit | | | | | | |
| Receivables | | | | 11.20 | | 2,451.22 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 23,567.71 | 90,825.66 | 4,750.97 | 92,248.08 | 41,054.98 | 102,649.88 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | 1,548,405.05 | 582,754.34 | | 1,518,986.31 | |
| Property & Casualty | 922.00 | | | | | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 431,915.54 | 5,000.00 | 18,000.00 | 2,366,852.22 | 5,000.00 | 688,016.90 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | 336,300.00 | | | |
| Accounts Payable | | 236,851.00 | | | 11.20 | 4,958.56 |
| Notes Payable | | 51,338.00 | | | | |
| Total Liabilities | 432,837.54 | 1,841,594.05 | 937,054.34 | 2,366,852.22 | 1,523,997.51 | 692,975.46 |
| Equity Balance | (409,269.83) | (1,750,768.39) | (932,303.37) | (2,274,604.14) | (1,482,942.53) | (590,325.58) |
| Liabilities & Equity Balance | 23,567.71 | 90,825.66 | 4,750.97 | 92,248.08 | 41,054.98 | 102,649.88 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservaterships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 261<br>Group Health Of El Paso | 262<br>Metrocare Inc | 263<br>Proprietors' Ins Co | 266<br>Metropolitan Trust Co | 267<br>Security Casualty Co | 269<br>Kenilworth Ins Co |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Cash In Bank | | | 42,871.39 | 3,811.50 | 26,619.36 | 73,545.32 |
| Certificates of Deposit | | | | | | |
| Receivables | | | | | 1,804.41 | 16,793.04 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | 25.00 |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 0.00 | 0.00 | 42,871.39 | 3,811.50 | 28,423.77 | 90,363.36 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | 14,873,268.46 | | | 249,880.92 |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | | | 800,948.00 | 5,000.00 | 1,346.00 | 1,482,020.14 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | 82,900.00 | | |
| Accounts Payable | | | 91,519.70 | 1,594,539.16 | 22,486.21 | |
| Notes Payable | | | | 24,594.93 | | |
| Total Liabilities | 0.00 | 0.00 | 15,765,736.16 | 1,707,034.09 | 23,832.21 | 1,731,901.06 |
| Equity Balance | 0.00 | 0.00 | (15,722,864.77) | (1,703,222.59) | 4,591.56 | (1,641,537.70) |
| Liabilities & Equity Balance | 0.00 | 0.00 | 42,871.39 | 3,811.50 | 28,423.77 | 90,363.36 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 270 | 271 | 272 | 273 | 274 | 275 |
|---|---|---|---|---|---|---|
| Rec Name: | Cotton Belt Ins Co | Mall Ins Agency | Premier Natl Life Ins Co | Premier Group Services Inc | Premier Natl Agency Inc | Lloyds of Amer Ins Co |
| **Assets:** | | | | | | |
| Cash In Bank | 205,497.48 | | 78,284.48 | 25.37 | 2,192.08 | 659,931.82 |
| Certificates of Deposit | | | | | | |
| Receivables | | | 4,403.53 | | | 444,352.80 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | 170.90 | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 205,497.48 | 0.00 | 82,688.01 | 25.37 | 2,362.98 | 1,104,284.62 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | 350,000.00 | | | | | 1,137,445.52 |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 396,278.10 | | 289,787.89 | 4,000.00 | 7,500.00 | 643,268.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | 460.00 | |
| Accounts Payable | | | 325,573.08 | 1,260,305.39 | 147,104.62 | 246,221.22 |
| Notes Payable | | | | 220,000.00 | 493,736.48 | |
| Total Liabilities | 746,278.10 | 0.00 | 615,360.97 | 1,484,305.39 | 648,801.10 | 2,026,934.74 |
| Equity Balance | (540,780.62) | 0.00 | (532,672.96) | (1,484,280.02) | (646,438.12) | (922,650.12) |
| Liabilities & Equity Balance | 205,497.48 | 0.00 | 82,688.01 | 25.37 | 2,362.98 | 1,104,284.62 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 276 | 277 | 278 | 279 | 280 | 281 |
|---|---|---|---|---|---|---|
| Rec Name: | Granite State Ins Co | United Bankers Life Ins Co | Equitable Exchange Inc | Superior Lloyds Ins Co | American Managers Inc | ADCO Fire & Cas Inc Co |
| **Assets:** | | | | | | |
| Cash In Bank | 23,428.35 | 1,287,040.92 | 352,539.49 | 210,299.88 | 173,297.74 | 287,347.68 |
| Certificates of Deposit | | | | | | |
| Receivables | | 375,641.17 | | 474,977.92 | | 37,684.23 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | 65.00 | |
| Computer Systems | | | | | | |
| Real Estate | | | 7,500.00 | | | |
| Other Assets | | | | | | |
| Total Assets | 23,428.35 | 1,662,682.09 | 360,039.49 | 685,277.80 | 173,362.74 | 325,031.91 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | 3,717.25 | | | | |
| Property & Casualty | 823,262.78 | | 170,948.47 | 65,662.09 | | 422,852.12 |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 6,000.00 | 9,935,976.69 | 584,159.50 | 618,544.23 | 13,000.00 | 50,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 4,928.91 | 1,774,331.00 | 89,394.25 | 689,774.15 | | 265,566.93 |
| Notes Payable | | | | | | 29,537.58 |
| Total Liabilities | 834,191.69 | 11,714,024.94 | 844,502.22 | 1,373,980.47 | 13,000.00 | 767,956.63 |
| Equity Balance | (810,763.34) | (10,051,342.85) | (484,462.73) | (688,702.67) | 160,362.74 | (442,924.72) |
| Liabilities & Equity Balance | 23,428.35 | 1,662,682.09 | 360,039.49 | 685,277.80 | 173,362.74 | 325,031.91 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 282 | 284 | 285 | 286 | 288 | 289 |
|---|---|---|---|---|---|---|
| Rec Name: | Colonial Title Inc | Florida General Life Ins Co | I M Dibease DBA Action Ins | Limestone Life Assoc | Steve Miles Ins Agency | Independent Bkr Life Ins Co |
| Assets: | | | | | | |
| Cash In Bank | 4.345.82 | 528.97 | 3.222.02 | 7.608.48 | | 1.709.198.91 |
| Certificates of Deposit | | | | | | 685.382.97 |
| Receivables | | | | | | 25.000.00 |
| Securities | | | | | | 4.024.00 |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 4.345.82 | 528.97 | 3.222.02 | 7.608.48 | 0.00 | 2.423.605.88 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | 262.865.53 | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 39.500.00 | | 3.000.00 | 6.000.00 | | 8.572.365.31 |
| Liquidator Fund | | 2.000.00 | | | | |
| Abandoned Property Fund | 37.000.00 | 4.700.00 | 23.400.00 | 28.200.00 | | |
| Accounts Payable | 1.908.627.03 | | | 617.50 | | 28.177.91 |
| Notes Payable | | | | | | |
| Total Liabilities | 1.985.127.03 | 6.700.00 | 26.400.00 | 297.683.03 | 0.00 | 8.600.543.22 |
| Equity Balance | (1.980.781.21) | (6.171.03) | (23.177.98) | (290.074.55) | 0.00 | (6.176.937.34) |
| Liabilities & Equity Balance | 4.345.82 | 528.97 | 3.222.02 | 7.608.48 | 0.00 | 2.423.605.88 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 290 | 291 | 292 | 293 | 296 | 295 |
|---|---|---|---|---|---|---|
| Rec Name: | Oklahoma Ins Logistics Co | Pac American Ins Co | Excalibur Ins Co | Surety Ins Co of Calif | Independent Standard Ins Co | Aspen Indem Corp |
| Assets: | | | | | | |
| Cash In Bank | | 99,472.47 | 308,584.19 | 415,819.83 | 49,975.62 | |
| Certificates of Deposit | | | | | | |
| Receivables | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 0.00 | 99,472.47 | 308,584.19 | 415,819.83 | 49,975.62 | 0.00 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | 141,000.00 | 239,166.26 | 302,452.00 | | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | | 3,396,613.89 | 1,654,000.00 | 685,500.00 | 671,636.90 | |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | | | 36,977.11 | 10,434.31 | 129,272.67 | |
| Notes Payable | | | | | | |
| Total Liabilities | 0.00 | 3,537,613.89 | 1,930,143.37 | 998,386.31 | 800,909.57 | 0.00 |
| Equity Balance | 0.00 | (3,438,141.42) | (1,621,559.18) | (582,566.48) | (750,933.95) | 0.00 |
| Liabilities & Equity Balance | 0.00 | 99,472.47 | 308,584.19 | 415,819.83 | 49,975.62 | 0.00 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 296 | 297 | 298 | 299 | 300 | 301 |
|---|---|---|---|---|---|---|
| Rec Name: | Amer Real Estate Assoc | Southeast Indem Corp | University Life Ins Co | Natl Investor Life Ins Co | Ideal Mutual Ins Co | Commercial Stdr Ins Co |
| Assets: | | | | | | |
| Cash In Bank | 32.66 | 681,101.64 | 9,388.20 | 7,884.07 | 1,062,629.89 | 2,689,409.79 |
| Certificates of Deposit | | | | | | 2,467,860.33 |
| Receivables | 8,900.00 | | | | | 334,639.49 |
| Securities | | | | | | 1,010.00 |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 8,932.66 | 681,101.64 | 9,388.20 | 7,884.07 | 1,062,629.89 | 5,492,919.61 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | 8,402,082.01 | | | | | |
| Property & Casualty | | 283,495.36 | | | 3,910,428.23 | 1,661,039.70 |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 63,500.00 | 530,000.00 | 21,500.00 | 1,684,909.71 | 5,709,637.59 | 434,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | 169,600.00 | | | | | |
| Accounts Payable | 88,206.44 | 26,452.05 | | | 1,055,790.71 | 11,795,316.96 |
| Notes Payable | | | | | | |
| Total Liabilities | 8,723,388.45 | 839,967.41 | 21,500.00 | 1,684,909.71 | 10,675,856.53 | 13,890,356.66 |
| Equity Balance | (8,714,455.79) | (158,845.77) | (12,111.80) | (1,677,025.66) | (9,613,226.66) | (8,397,437.05) |
| Liabilities & Equity Balance | 8,932.66 | 681,101.64 | 9,388.20 | 7,884.07 | 1,062,629.89 | 5,492,919.61 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 302<br>Early American Ins Co | 303<br>Eastern Indem Co of Md | 304<br>Columbus Ins Co | 305<br>Commonwealth Marine | 306<br>S.L. Wilkinson DBA American Ins | 307<br>S&H Ins Co |
|---|---|---|---|---|---|---|
| **Assets:** | | | | | | |
| Cash In Bank | 231,323.18 | 159,419.59 | 567,029.25 | | 2,062.60 | 6,830.02 |
| Certificates of Deposit | | | | | | |
| Receivables | 44,482.78 | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | 209.53 | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | 237.27 | |
| Total Assets | 275,805.96 | 159,419.59 | 567,029.25 | 0.00 | 2,509.40 | 6,830.02 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | 206,759.00 | 1,400,000.00 | 67,184.95 | | 158,168.79 | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 2,141,056.81 | 1,947,568.34 | 2,419,000.00 | | 3,500.00 | 9,500.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | 7,030.00 | |
| Accounts Payable | 245,051.21 | 206,569.29 | 27,014.07 | | 169,272.80 | 18,591.38 |
| Notes Payable | | | | | | |
| Total Liabilities | 2,592,867.02 | 3,554,137.63 | 2,513,199.02 | 0.00 | 337,971.59 | 28,091.38 |
| Equity Balance | (2,317,061.06) | (3,394,718.04) | (1,946,169.77) | 0.00 | (335,462.19) | (21,261.36) |
| Liabilities & Equity Balance | 275,805.96 | 159,419.59 | 567,029.25 | 0.00 | 2,509.40 | 6,830.02 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 308<br>United<br>Employers Ins | 309<br>Christian Org<br>Med Society | 310<br>G D Albright<br>DBA J Young | 311<br>Texas Republic<br>Title Co | 312<br>Union Indem<br>Ins Co of NY | 313<br>Transit<br>Casualty Co |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Cash In Bank | 330,329.88 | 329,899.39 | 8.38 | 1,087.04 | 187,556.22 | 3,355,296.27 |
| Certificates of Deposit | | | | | | 110,000.00 |
| Receivables | | 232.05 | | | | 244,856.65 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 330,329.88 | 330,131.44 | 8.38 | 1,087.04 | 187,556.22 | 3,710,152.92 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | 1,363,691.91 | | | | 200,000.00 | 14,905,334.11 |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 1,173,000.00 | 80,000.00 | 11,000.00 | 15,000.00 | 388,000.00 | 14,973,472.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | 202,000.00 | 3,260.00 | 62,200.00 | | |
| Accounts Payable | 23,026.52 | | 582.50 | 109,519.00 | | 116,278.25 |
| Notes Payable | | | | | | |
| Total Liabilities | 2,559,718.43 | 282,000.00 | 14,842.50 | 186,719.00 | 588,000.00 | 29,995,084.36 |
| Equity Balance | (2,229,388.55) | 48,131.44 | (14,834.12) | (185,631.96) | (400,443.78) | (26,284,931.44) |
| Liabilities & Equity Balance | 330,329.88 | 330,131.44 | 8.38 | 1,087.04 | 187,556.22 | 3,710,152.92 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 314 | 315 | 317 | 318 | 319 | 320 |
|---|---|---|---|---|---|---|
| Rec Name: | Iowa Natl Mutual Ins Co | Continental Service Life | Carriers Ins Co | Amer Fidelity Fire Ins Co | Texas Fidelity Life Ins Co | Great Global Assurance Co |
| Assets: | | | | | | |
| Cash In Bank | 64,776.76 | | 451,979.32 | 17,593.90 | 120,295.00 | 270,380.86 |
| Certificates of Deposit | | | | | | |
| Receivables | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | 18,047.00 | |
| Other Assets | | | | | 500.00 | |
| Total Assets | 64,776.76 | 0.00 | 451,979.32 | 17,593.90 | 138,842.00 | 270,380.86 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | 2,176,012.81 | 500.00 | | 53,663.28 |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 33,800.98 | | 3,319,000.00 | 89,500.00 | 2,515,000.00 | 616,600.95 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 838.20 | | 8,272.89 | 11,274.78 | 418,081.85 | 26,652.92 |
| Notes Payable | | | | | | |
| Total Liabilities | 34,639.18 | 0.00 | 5,503,285.70 | 101,274.78 | 2,933,081.85 | 696,917.15 |
| Equity Balance | 30,137.58 | 0.00 | (5,051,306.38) | (83,680.88) | (2,794,239.85) | (426,536.29) |
| Liabilities & Equity Balance | 64,776.76 | 0.00 | 451,979.32 | 17,593.90 | 138,842.00 | 270,380.86 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 321<br>Texas Fire<br>Ins Co | 322<br>Midland<br>Ins Co | 323<br>Amer Druggist<br>Ins Co | 324<br>Western Pref<br>Casualty Co | 325<br>Allied Fidelity<br>Ins Co | 326<br>California<br>Life Ins Co |
|---|---|---|---|---|---|---|
| **Assets:** | | | | | | |
| Cash In Bank | 1,166,358.34 | 344,184.84 | 65,329.54 | 53,079.68 | 214,768.90 | 49,973.56 |
| Certificates of Deposit | 5,800,776.79 | | | | | |
| Receivables | 5,530,650.00 | 15,000.00 | | | | |
| Securities | | | 80,000.00 | | | |
| Statutory Deposits | | 11,878.62 | | | | |
| Funds Held - Other | 41,489.37 | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | 309,104.00 | | | | | |
| Other Assets | | | | | | |
| Total Assets | 12,828,378.50 | 371,063.46 | 145,329.54 | 53,079.68 | 214,768.90 | 49,973.56 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | 10,000,000.00 | 6,081,099.96 | 316,695.43 | 283,203.10 | 2,319,745.94 | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 3,142,184.48 | 9,128,500.00 | 237,401.24 | 147,400.00 | 1,652,500.00 | 2,762,744.12 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 316,805.62 | 2,716.91 | | | 6,654.78 | |
| Notes Payable | | | | | | |
| Total Liabilities | 13,458,990.10 | 15,212,316.87 | 554,096.67 | 430,603.10 | 3,978,900.72 | 2,762,744.12 |
| Equity Balance | (630,611.60) | (14,841,253.41) | (408,767.13) | (377,523.42) | (3,764,131.82) | (2,712,770.56) |
| Liabilities & Equity Balance | 12,828,378.50 | 371,063.46 | 145,329.54 | 53,079.68 | 214,768.90 | 49,973.56 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 327 | 328 | 329 | 330 | 331 | 332 |
|---|---|---|---|---|---|---|
| Rec Name: | Continental Bkrs Life Ins | Natl Allied Ins Co | Dexter Lloyds Ins Co | Signal Ins Lloyds Co | Mission Ins Co | Mission Natl Ins Co |
| Assets: | | | | | | |
| Cash In Bank | 319,825.05 | 1,099,158.76 | 1,251,583.41 | 546,401.09 | 676,187.41 | 393,823.61 |
| Certificates of Deposit | | 3,518,646.14 | | | | 146,042.47 |
| Receivables | 422,972.90 | 52,610.28 | 150,000.00 | | 92.24 | |
| Securities | | | | | | |
| Statutory Deposits | | 200,000.00 | | | | |
| Funds Held - Other | | 4,443.71 | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | 220,000.00 |
| Total Assets | 742,797.95 | 6,074,858.89 | 1,401,583.41 | 546,401.09 | 676,279.65 | 759,866.08 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | 117,708.00 | | | | | |
| Property & Casualty | | 5,036,742.51 | 1,106,294.83 | 664,959.82 | 7,847,975.85 | 9,425,169.72 |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 7,798,103.22 | 3,880,066.40 | 2,353,322.87 | 600,000.00 | 2,278,000.00 | 3,869,714.70 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | | | 20,106.55 | | | 1,759.34 |
| Notes Payable | | | | | | |
| Total Liabilities | 7,915,811.22 | 8,916,808.91 | 3,479,724.25 | 1,264,959.82 | 10,125,975.85 | 13,296,643.76 |
| Equity Balance | (7,173,013.27) | (4,041,950.02) | (2,078,140.84) | (718,558.73) | (9,449,696.20) | (12,536,777.68) |
| Liabilities & Equity Balance | 742,797.95 | 6,874,858.89 | 1,401,583.41 | 546,401.09 | 676,279.65 | 759,866.08 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 334 | 335 | 336 | 337 | 338 | 340 |
|---|---|---|---|---|---|---|
| Rec Name: | Enterprise Ins Co | Hermitage Health & Life | Keystone Life Ins Co | Preferred Emp Ins Co | Edward Patterso Cude, et al | Eagle Life Ins Co |
| **Assets:** | | | | | | |
| Cash In Bank | 377.741.64 | 202.298.08 | 1.276.666.90 | 1.192.648.86 | 520.985.84 | 630.307.13 |
| Certificates of Deposit | | | | | | |
| Receivables | | | 1.711.609.65 | 742.616.59 | 13.110.69 | 7.965.14 |
| Securities | | | 1.106.642.92 | 50.000.00 | | 4.768.10 |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | 668.898.42 | | | |
| Funds Held - Reinsurer | | | 4.577.828.74 | | | |
| Furniture & Equipment | | | 56.137.38 | | | |
| Computer Systems | | | | 6.546.86 | | |
| Real Estate | | | | | | |
| Other Assets | | | 370.425.17 | | | |
| Total Assets | 377.741.64 | 202.298.08 | 9.768.209.18 | 1.991.812.31 | 534.096.53 | 643.040.37 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | 40.000.00 | 4.040.71 | | | 67.589.90 |
| Property & Casualty | 1.234.056.31 | | | 1.292.328.92 | | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 594.000.00 | 445.260.50 | 12.271.661.92 | 6.554.417.90 | 50.000.00 | 3.319.022.62 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | | 1.107.992.01 | 22.623.863.62 | | 1.066.600.76 | 174.028.93 |
| Notes Payable | | | 917.12 | | 4.135.04 | |
| Total Liabilities | 1.828.056.31 | 1.593.252.51 | 34.900.483.37 | 7.846.746.82 | 1.120.735.80 | 3.560.641.45 |
| Equity Balance | (1.450.314.67) | (1.390.954.43) | (25.132.274.19) | (5.854.934.51) | (586.637.27) | (2.917.601.08) |
| Liabilities & Equity Balance | 377.741.64 | 202.298.08 | 9.768.209.18 | 1.991.812.31 | 534.096.53 | 643.040.37 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 341<br>Texas Retailer Association | 342<br>North American Ins Co | 343<br>Integrity Ins Co | 344<br>Norman Cowart et al | 345<br>Ruth Mills Buford, et al | 347<br>Professional Risk Management |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Cash In Bank | 36,505.08 | 286,353.95 | 916,947.55 | 331,395.46 | 83,683.31 | 17,731.30 |
| Certificates of Deposit | | | | | | |
| Receivables | | | 32.05 | 27,504.71 | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | 3,688.11 | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 36,505.08 | 290,042.06 | 916,979.60 | 358,900.17 | 83,683.31 | 17,731.30 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | 208.24 | | | 6,287,500.00 | 469,861.00 | |
| Property & Casualty | | | 8,107,000.00 | | | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 66,000.00 | 115,000.00 | 2,066,000.00 | 97,000.00 | 63,500.00 | 71,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | | 206,247.21 | | 46,324.00 | 963.29 | |
| Notes Payable | | | | | | |
| Total Liabilities | 66,208.24 | 321,247.21 | 10,173,000.00 | 6,430,824.00 | 534,324.29 | 71,000.00 |
| Equity Balance | (29,703.16) | (31,205.15) | (9,256,020.40) | (6,071,923.83) | (450,640.98) | (53,268.70) |
| Liabilities & Equity Balance | 36,505.08 | 290,042.06 | 916,979.60 | 358,900.17 | 83,683.31 | 17,731.30 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 348 | 349 | 350 | 351 | 352 | 353 |
|---|---|---|---|---|---|---|
| Rec Name: | Contractors Ins Exchange | Summit Title Co | Citizens Natl Assurance Co | International Fid Life Ins Co | Central Texas Health Plan | Farm & Ranch Life Ins Co |
| **Assets:** | | | | | | |
| Cash In Bank | 488,390.71 | 21,960.19 | 381,743.79 | 869,946.45 | 77,130.78 | 14,816.08 |
| Certificates of Deposit | | | | | 347,964.85 | |
| Receivables | 200,000.00 | | | 51,157.37 | | |
| Securities | | | | | | |
| Statutory Deposits | 50,000.00 | | | | | |
| Funds Held - Other | | | | 720.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 738,390.71 | 21,960.19 | 381,743.79 | 921,823.82 | 425,095.63 | 14,816.08 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | 10,000.00 | 4,266,809.75 | 250.00 |
| Property & Casualty | 1,361,879.82 | | 3,590,774.79 | | | |
| Title | | 961,218.67 | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 2,001,609.99 | 376,673.56 | 2,816,000.00 | 5,413,602.87 | | 114,016.83 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | | 109,527.30 | | 130,577.00 | 19,971.14 | |
| Notes Payable | | | | | | |
| Total Liabilities | 3,363,489.81 | 1,447,419.53 | 6,406,774.79 | 5,554,179.87 | 4,286,780.89 | 114,266.83 |
| Equity Balance | (2,625,099.10) | (1,425,459.34) | (6,025,031.00) | (4,632,356.05) | (3,861,685.26) | (99,450.75) |
| Liabilities & Equity Balance | 738,390.71 | 21,960.19 | 381,743.79 | 921,823.82 | 425,095.63 | 14,816.08 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 354<br>Buffalo Title of Houston | 355<br>Professional Mutual Ins Co | 356<br>James D Atkins, et al | 357<br>Southern International | 358<br>Federal Title Co | 359<br>Homeland Ins Co |
|---|---|---|---|---|---|---|
| **Assets:** | | | | | | |
| Cash In Bank | 37,622.65 | 270,145.98 | | 284,943.98 | 17,519.10 | 206,059.42 |
| Certificates of Deposit | | | | | | |
| Receivables | | | | 6,879.80 | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 37,622.65 | 270,145.98 | 0.00 | 291,823.78 | 17,519.10 | 206,059.42 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | 3,347,744.86 | | 903,752.00 | | 506,476.91 |
| Title | 20,308.56 | | | | 1,756,705.60 | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 510,822.00 | 4,687,000.00 | | 105,000.00 | 161,000.00 | 652,500.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 2,697,629.70 | | | 207,869.51 | 314,907.72 | |
| Notes Payable | | | | | | |
| Total Liabilities | 3,228,760.26 | 8,034,744.86 | 0.00 | 1,216,621.51 | 2,232,613.32 | 1,158,976.91 |
| Equity Balance | (3,191,137.61) | (7,764,598.88) | 0.00 | (924,797.73) | (2,215,094.22) | (952,917.49) |
| Liabilities & Equity Balance | 37,622.65 | 270,145.98 | 0.00 | 291,823.78 | 17,519.10 | 206,059.42 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 360 | 361 | 362 | 363 | 364 | 365 |
|---|---|---|---|---|---|---|
| Rec Name: | East Texas Health Plan | Holland Amer Lloyds | Joseph Landis et al | North Texas Title Co | Wstrn Heritage Life Ins Co | Best Lloyds Ins Co |
| **Assets:** | | | | | | |
| Cash In Bank | 455,583.39 | 667,212.52 | 2,564.26 | 2,252.16 | 114,476.70 | 1,048,233.93 |
| Certificates of Deposit | 1,179,659.52 | | | | | |
| Receivables | 453.23 | | | | 1,838.43 | 495,234.63 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | 2,590.00 |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 1,635,696.14 | 667,212.52 | 2,564.26 | 2,252.16 | 116,315.13 | 1,546,058.56 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | 2,911,903.93 | | | | 9,000.00 | |
| Property & Casualty | | 1,176,435.35 | | | | 10,286,661.77 |
| Title | | | | 1,255,043.47 | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | | 275,000.00 | 80,000.00 | 178,000.00 | 1,515,000.00 | 6,425,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 4,094.93 | | | 63,433.89 | | |
| Notes Payable | | | | | | |
| Total Liabilities | 2,915,998.86 | 1,451,435.35 | 80,000.00 | 1,496,477.36 | 1,524,000.00 | 16,711,661.77 |
| Equity Balance | (1,280,302.72) | (784,222.83) | (77,435.74) | (1,494,225.20) | (1,407,684.87) | (15,165,603.21) |
| Liabilities & Equity Balance | 1,635,696.14 | 667,212.52 | 2,564.26 | 2,252.16 | 116,315.13 | 1,546,058.56 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 366 | 367 | 368 | 369 | 370 | 371 |
|---|---|---|---|---|---|---|
| Rec Name: | Bluff Farmers Mutual Ins Co | Fran T Gordon et al | Lloyds Texas | Consol Savings Life Ins Co | TMIC Ins Co | Ntl County Mut Fire Ins Co |
| Assets: | | | | | | |
| Cash In Bank | 158,944.42 | | 979,812.08 | 227,969.24 | 83,473.49 | 491,904.87 |
| Certificates of Deposit | | | | | | |
| Receivables | | | | 35,000.00 | | 9,972,334.75 |
| Securities | | | | | | 5,700.00 |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 30,037.75 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | 10,600.00 |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | 5,594.00 |
| Total Assets | 158,944.42 | 0.00 | 979,812.08 | 262,969.24 | 83,473.49 | 10,516,171.37 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | 16,187,500.00 | | 600,160.10 | | | 15,260,187.30 |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 303,000.00 | | 1,852,000.00 | 730,000.00 | 6,000.00 | 24,889,734.40 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | | | 2,021.74 | | | 61,295.28 |
| Notes Payable | | | | | | |
| Total Liabilities | 16,490,500.00 | 0.00 | 2,454,181.84 | 730,000.00 | 6,000.00 | 40,211,216.98 |
| Equity Balance | (16,331,555.58) | 0.00 | (1,474,369.76) | (467,030.76) | 77,473.49 | (29,695,045.61) |
| Liabilities & Equity Balance | 158,944.42 | 0.00 | 979,812.08 | 262,969.24 | 83,473.49 | 10,516,171.37 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 372<br>Capital Title Co | 373<br>Texas Indep School Systems | 374<br>First Columbia Life Ins Co | 375<br>First Service Life Ins Co | 376<br>Credit Guard Life Ins Co | 377<br>Texas Bus & Prof Assoc |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Cash In Bank | | 201,295.86 | 453,726.30 | 618,191.84 | 144,521.65 | 11,037.67 |
| Certificates of Deposit | | | | | | |
| Receivables | | | | 74,532.08 | | |
| Securities | | | | 14,000.00 | | |
| Statutory Deposits | | | | 200,000.00 | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | 66,836.00 | | |
| Real Estate | | | | | | |
| Other Assets | | | | 68,418.00 | | |
| Total Assets | 0.00 | 201,295.86 | 453,726.30 | 1,041,977.92 | 144,521.65 | 11,037.67 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | 151,300.00 | 2,213,080.78 | 34,084,945.08 | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | | 51,000.00 | 4,178,000.00 | 385,000.00 | 1,815,795.21 | 25,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | 100,000.00 | | |
| Accounts Payable | | 106,872.30 | 4,500,086.00 | | | |
| Notes Payable | | | 561,931.00 | | | |
| Total Liabilities | 0.00 | 309,172.30 | 11,453,097.78 | 34,569,945.08 | 1,815,795.21 | 25,000.00 |
| Equity Balance | 0.00 | (107,876.44) | (10,999,371.48) | (33,527,967.16) | (1,671,273.56) | (13,962.33) |
| Liabilities & Equity Balance | 0.00 | 201,295.86 | 453,726.30 | 1,041,977.92 | 144,521.65 | 11,037.67 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 379 | 380 | 382 | 383 | 384 | 385 |
|---|---|---|---|---|---|---|
| Rec Name: | First Trancont Life Ins Co | Gibson Natl Life Ins Co | Texas National Ins Co | Universal Indemnity Co | First Houston Title Inc | Gulf Coast Ins Co |
| **Assets:** | | | | | | |
| Cash In Bank | 203,052.05 | 1,045,658.25 | 644,538.48 | | 59,256.56 | 142.37 |
| Certificates of Deposit | | 739,247.69 | | | | |
| Receivables | | 2,128,196.74 | 50,709.83 | | 27,155.23 | |
| Securities | | | | | | |
| Statutory Deposits | | 100,000.00 | | | | |
| Funds Held - Other | 9,357.34 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | 1,305,240.00 | | | | |
| Other Assets | | | | | | |
| Total Assets | 212,409.39 | 5,318,342.68 | 695,248.31 | 0.00 | 86,411.79 | 142.37 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | 53,997.26 | 2,906,178.27 | | | | |
| Property & Casualty | | | 338,797.33 | | | |
| Title | | | | | 11,515.57 | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 530,000.00 | 6,685,462.42 | 371,000.00 | | 49,500.00 | 8,500.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | 32,400.00 | |
| Accounts Payable | | | | | 449,928.30 | 1,672.07 |
| Notes Payable | | 15,032.71 | | | | |
| Total Liabilities | 583,997.26 | 9,606,673.40 | 709,797.33 | 0.00 | 543,343.87 | 10,172.07 |
| Equity Balance | (371,587.87) | (4,288,330.72) | (14,549.02) | 0.00 | (456,932.08) | (10,029.70) |
| Liabilities & Equity Balance | 212,409.39 | 5,318,342.68 | 695,248.31 | 0.00 | 86,411.79 | 142.37 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 386<br>Stone Mountain Ins Co | 387<br>Empire Casualty Co | 388<br>Lumbermens Life Ins Co | 389<br>Diamond Benefits Life | 390<br>Southern Gen Life Ins Co | 391<br>Amer Teachers Life Ins Co |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Cash In Bank | 264,131.47 | 227,147.90 | 65,057.63 | | 304,781.29 | 1,075,492.45 |
| Certificates of Deposit | | | | | | 1,416,205.58 |
| Receivables | | | | | | 985,074.60 |
| Securities | | | | | | |
| Statutory Deposits | 90,000.00 | | | | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | 550,000.00 |
| Other Assets | | | | | | |
| Total Assets | 354,131.47 | 227,147.90 | 65,057.63 | 0.00 | 304,781.29 | 4,026,772.63 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | 81,000.00 | 14,400,457.49 |
| Property & Casualty | 3,051,952.23 | 588,800.00 | | | | |
| Title | | | | | | |
| Assumptions Payable | | | | | | 128,469.00 |
| Loans Payable: | | | | | | |
| Guaranty Fund | 563,500.00 | 553,000.00 | 330,000.00 | | 580,000.00 | 2,829,841.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 5,474.50 | 624.48 | 715.73 | | | 73,711.13 |
| Notes Payable | | | | | | 242,917.49 |
| Total Liabilities | 3,620,926.73 | 1,142,424.48 | 330,715.73 | 0.00 | 661,000.00 | 17,675,396.11 |
| Equity Balance | (3,266,795.26) | (915,276.58) | (265,658.10) | 0.00 | (356,218.71) | (13,648,623.48) |
| Liabilities & Equity Balance | 354,131.47 | 227,147.90 | 65,057.63 | 0.00 | 304,781.29 | 4,026,772.63 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 392 | 393 | 394 | 395 | 396 | 397 |
|---|---|---|---|---|---|---|
| Rec Name: | Knickerbocker Life Ins Co | U.S. Annuity Life Ins Co | Amer Mutual Liability Ins | GIC Ins Co | Americana Life Ins Co | North American Lloyds of Texas |
| Assets: | | | | | | |
| Cash In Bank | 16,140,474.06 | 261,137.07 | 119,354.34 | 990,130.47 | 62,276.47 | 1,289,541.03 |
| Certificates of Deposit | | 1,005,794.53 | | | | |
| Receivables | 5,482,120.75 | | | 16,435.16 | | 2,271,581.42 |
| Securities | 1,455,463.54 | | | 30,000.00 | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 100,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | 435,600.00 | | | | | 40,000.00 |
| Other Assets | 1,272,220.00 | | | | | |
| Total Assets | 22,885,878.35 | 1,266,931.60 | 119,354.34 | 1,036,565.63 | 62,276.47 | 3,601,122.45 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | 17,571,505.46 | 1,768,771.17 | | 5,370,839.22 | | |
| Property & Casualty | | | 2,110,642.13 | | | 9,771,000.00 |
| Title | | | | | | |
| Assumptions Payable | 1,332,603.00 | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 23,204,335.62 | 165,000.00 | 1,338,000.00 | 18,993,141.73 | 1,280,000.00 | 3,711,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 6,765.93 | 322.60 | | 25,619.91 | | |
| Notes Payable | | | | 3,604,681.09 | | |
| Total Liabilities | 42,115,210.01 | 1,934,093.77 | 3,448,642.13 | 27,994,281.95 | 1,280,000.00 | 13,482,000.00 |
| Equity Balance | (19,229,331.66) | (667,162.17) | (3,329,287.79) | (26,957,716.32) | (1,217,723.53) | (9,880,877.55) |
| Liabilities & Equity Balance | 22,885,878.35 | 1,266,931.60 | 119,354.34 | 1,036,565.63 | 62,276.47 | 3,601,122.45 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 398 | 399 | 400 | 401 | 402 | 403 |
|---|---|---|---|---|---|---|
| Rec Name: | American Underwriters | Confidence Life Ins Co | America West Health Benefit | Christian Brotherhood | Maxey Ins Agency, et al | Texas National Title Co |
| **Assets:** | | | | | | |
| Cash In Bank | 51,912.51 | 6,063.42 | | 602.37 | 13,462.38 | 5,042.38 |
| Certificates of Deposit | | | | | | |
| Receivables | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | 415.00 | | |
| Total Assets | 51,912.51 | 6,063.42 | 0.00 | 1,017.37 | 13,462.38 | 5,042.38 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | 1,244,690.00 | | |
| Property & Casualty | | | | | | |
| Title | | | | | | 30,000.00 |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 149,412.68 | 37,658.49 | | 40,000.00 | 33,000.00 | |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 44.47 | | | 318,586.81 | | 525,917.34 |
| Notes Payable | | | | | | |
| Total Liabilities | 149,457.15 | 37,658.49 | 0.00 | 1,603,276.81 | 33,000.00 | 555,917.34 |
| Equity Balance | (97,544.64) | (31,595.07) | 0.00 | (1,602,259.44) | (19,537.62) | (550,874.96) |
| Liabilities & Equity Balance | 51,912.51 | 6,063.42 | 0.00 | 1,017.37 | 13,462.38 | 5,042.38 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 404<br>First Sthwst Lloyds | 405<br>General Indemn Ins Co | 406<br>Consolidated Benefit Health | 407<br>Texas Investors Life Ins Co | 408<br>Financial Svices-Houston | 409<br>Galaxia Life Ins Co |
|---|---|---|---|---|---|---|
| Assets: | | | | | | |
| Cash In Bank | 528,099.56 | 850,976.07 | 141,138.14 | 865,498.17 | 82,424.76 | 1,317,165.96 |
| Certificates of Deposit | | | | 754,315.05 | | |
| Receivables | 406,778.18 | 589.50 | | | | 323.88 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 200,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | 37,544.00 | | | | | |
| Total Assets | 1,172,421.74 | 851,565.57 | 141,138.14 | 1,619,813.22 | 82,424.76 | 1,317,489.84 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | 688,603.68 | 5,558,630.36 | | 19,011,757.67 |
| Property & Casualty | 2,000,000.00 | 3,340,573.00 | | | 89,990.00 | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 3,751,000.00 | 1,676,000.00 | 275,000.00 | 1,749,351.46 | 110,000.00 | 1,515,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 15,040.37 | | 6,408.93 | 218.76 | 9,319.62 | |
| Notes Payable | | | | | | |
| Total Liabilities | 5,766,040.37 | 5,016,573.00 | 970,012.61 | 7,308,200.58 | 209,309.62 | 20,526,757.67 |
| Equity Balance | (4,593,618.63) | (4,165,007.43) | (828,874.47) | (5,688,387.36) | (126,884.86) | (19,209,267.83) |
| Liabilities & Equity Balance | 1,172,421.74 | 851,565.57 | 141,138.14 | 1,619,813.22 | 82,424.76 | 1,317,489.84 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 410 | 411 | 412 | 413 | 414 | 415 |
|---|---|---|---|---|---|---|
| Rec Name: | United Trvlers Ins Co | Pacific Marine Ins Co | Risk Managers International | Texas Ins Co. et al | Paxton Nat Ins Co | Amalgamated Labor Life |
| **Assets:** | | | | | | |
| Cash In Bank | 84.24 | 196,982.14 | | 1,786,539.90 | 112,141.96 | 69,357.38 |
| Certificates of Deposit | | | | | | |
| Receivables | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 84.24 | 196,982.14 | 0.00 | 1,786,539.90 | 112,141.96 | 69,357.38 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | | | | | 667,769.26 |
| Property & Casualty | | 1,100,000.00 | | 8,700,000.00 | 878,850.00 | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | | 308,000.00 | | 4,086,000.00 | 186,000.00 | 111,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 3,852.30 | | 9,551.65 | | | |
| Notes Payable | | | | | | |
| Total Liabilities | 3,852.30 | 1,408,000.00 | 9,551.65 | 12,786,000.00 | 1,064,850.00 | 778,769.26 |
| Equity Balance | (3,768.06) | (1,211,017.86) | (9,551.65) | (10,999,460.10) | (952,708.04) | (709,411.88) |
| Liabilities & Equity Balance | 84.24 | 196,982.14 | 0.00 | 1,786,539.90 | 112,141.96 | 69,357.38 |

Liquidation Division of the State Board of Insurance
Assets. Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31. 1990

(UNAUDITED)

| Rec #: | 416 | 417 | 418 | 419 | 420 | 421 |
|---|---|---|---|---|---|---|
| Rec Name: | Regent Life Ins Co | Title USA Ins Corp | Cal Pacific Life Ins Co | United Savings Life Ins Co | S Natl Life & Americas Intl | Great Atlantic Ins Co |
| Assets: | | | | | | |
| Cash In Bank | 175.774.02 | 2.103.358.79 | 42.965.52 | | 4.013.995.21 | 6.147.22 |
| Certificates of Deposit | | 3.053.961.04 | | | | |
| Receivables | | 4.453.846.06 | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | 393.22 | | | | |
| Total Assets | 175.774.02 | 9.611.559.11 | 42.965.52 | 0.00 | 4.013.995.21 | 6.147.22 |
| Liabilities and Equity Balance: | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | 2.000.00 | | 1.061.020.54 | | 6.793.094.45 | |
| Property & Casualty | | | | | | 420.000.00 |
| Title | | 64.383.107.93 | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 300.000.00 | 1.469.000.00 | 88.000.00 | | 4.685.000.00 | 36.000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 14.900.47 | 1.898.074.03 | | | 250.79 | |
| Notes Payable | | 691.088.39 | | | | |
| Total Liabilities | 316.900.47 | 68.441.270.35 | 1.149.020.54 | 0.00 | 11.478.345.24 | 456.000.00 |
| Equity Balance | (141.126.45) | (58.829.711.24) | (1.106.055.02) | 0.00 | (7.464.350.03) | (449.852.78) |
| Liabilities & Equity Balance | 175.774.02 | 9.611.559.11 | 42.965.52 | 0.00 | 4.013.995.21 | 6.147.22 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 422 | 423 | 424 | 425 | 426 | 427 |
|---|---|---|---|---|---|---|
| Rec Name: | Texas Consumer Life Ins Co | American Equit Life & Fin Corp | Security SW Life Ins Co | American Sun Life Ins Co | Allied Bankers Life Ins Co | Cadillac Ins Co |
| **Assets:** | | | | | | |
| Cash In Bank | 1,268,963.27 | 3,170,103.43 | 195,604.62 | 160,236.93 | 630,091.54 | 16,072.21 |
| Certificates of Deposit | 75,000.00 | | | | 2,531,200.83 | |
| Receivables | 899.17 | | 4,375.00 | | 590,777.00 | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 1,344,862.44 | 3,170,103.43 | 199,979.62 | 160,236.93 | 3,752,069.37 | 16,072.21 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | 1,902,661.00 | 7,274,236.00 | | 96,799.98 | 5,917,395.25 | 714,328.00 |
| Property & Casualty | | | | | | 760,000.00 |
| Title | | | | | | |
| Assumptions Payable | 210,308.00 | 1,516,000.00 | | | 1,643,282.00 | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 548,348.00 | 230,000.00 | | 207,600.00 | 1,995,000.00 | 36,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 721.75 | 400.61 | | | | 6,229.65 |
| Notes Payable | | | | | | |
| Total Liabilities | 2,662,038.75 | 9,020,636.61 | 0.00 | 302,399.98 | 9,555,677.25 | 1,516,557.65 |
| Equity Balance | (1,317,176.31) | (5,850,453.18) | 199,979.62 | (142,163.05) | (5,803,607.88) | (1,500,485.44) |
| Liabilities & Equity Balance | 1,344,862.44 | 3,170,103.43 | 199,979.62 | 160,236.93 | 3,752,069.37 | 16,072.21 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 428 | 429 | 430 | 431 | 432 | 433 |
|---|---|---|---|---|---|---|
| Rec Name: | First Nat Indemnity Co | Great SW Life Ins Co | SW American Lloyds Ins Co | Essex Lloyds Ins & Braniff | Intercont'l Ins Co | Underwriter's of Lloyds, US |
| **Assets:** | | | | | | |
| Cash In Bank | 1,181,251.65 | 3,000,060.19 | 983,695.39 | 155,356.15 | 101,026.38 | 1,775,708.37 |
| Certificates of Deposit | | | | | | |
| Receivables | | 2,654.70 | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | 1,700,000.00 | | | | |
| Other Assets | 150.00 | | | | | |
| Total Assets | 1,181,401.65 | 4,702,714.89 | 983,695.39 | 155,356.15 | 101,026.38 | 1,775,708.37 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | 4,613,892.33 | | | | |
| Property & Casualty | 4,962,250.00 | | 7,147,000.00 | 3,771,180.00 | 150,000.00 | 11,128,110.11 |
| Title | | | | | | |
| Assumptions Payable | | 1,744,377.00 | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | 466,000.00 | 11,872,476.00 | 575,000.00 | 100,000.00 | 110,000.00 | 300,000.00 |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | | 131.10 | 2,025.23 | | | 4,443.21 |
| Notes Payable | | | | | | |
| Total Liabilities | 5,428,250.00 | 18,230,876.43 | 7,724,025.23 | 3,871,180.00 | 260,000.00 | 11,432,553.32 |
| Equity Balance | (4,246,848.35) | (13,528,161.54) | (6,740,329.84) | (3,715,823.85) | (158,973.62) | (9,656,844.95) |
| Liabilities & Equity Balance | 1,181,401.65 | 4,702,714.89 | 983,695.39 | 155,356.15 | 101,026.38 | 1,775,708.37 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 434 | 435 | 436 | 437 | 438 | 439 |
|---|---|---|---|---|---|---|
| Rec Name: | Ohio General Ins Co | Excelibur Life Ins Co | Petresurance Casualty Co | Life of Indiana | American Pacer Ins Co | Justice Life Ins Co |
| **Assets:** | | | | | | |
| Cash In Bank | 0.00 | 249,155.77 | 1,048.55 | 0.00 | 0.00 | 0.00 |
| Certificates of Deposit | | | | | | |
| Receivables | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds Held - Reinsurer | | | | | | |
| Furniture & Equipment | | | | | | |
| Computer Systems | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Total Assets | 0.00 | 249,155.77 | 1,048.55 | 0.00 | 0.00 | 0.00 |
| **Liabilities and Equity Balance:** | | | | | | |
| Claims Payable: | | | | | | |
| Accident & Health | | 1,280,196.85 | | 965,585.94 | | 1,099,008.37 |
| Property & Casualty | | | | | 31,114,516.00 | |
| Title | | | | | | |
| Assumptions Payable | | | | | | |
| Loans Payable: | | | | | | |
| Guaranty Fund | | | | | | |
| Liquidator Fund | | | | | | |
| Abandoned Property Fund | | | | | | |
| Accounts Payable | 3,819.01 | 138.89 | | 1,468.94 | 8,186.22 | 447.93 |
| Notes Payable | | | | | | |
| Total Liabilities | 3,819.01 | 1,280,335.74 | 0.00 | 967,054.88 | 31,122,702.22 | 1,099,456.30 |
| Equity Balance | (3,819.01) | (1,031,179.97) | 1,048.55 | (967,054.88) | (31,122,702.22) | (1,099,456.30) |
| Liabilities & Equity Balance | 0.00 | 249,155.77 | 1,048.55 | 0.00 | 0.00 | 0.00 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

| Rec #: | 440 | 441 | 442 | |
|---|---|---|---|---|
| Rec Name: | Nat Benefit Life Ins Co | American Independence | Commodore Life Ins | Total Receiverships |
| Assets: | | | | |
| Cash In Bank | 447,434.47 | | | 88,207,093.69 |
| Certificates of Deposit | | | | 27,408,930.16 |
| Receivables | | | | 38,265,105.75 |
| Securities | | | | 2,782,353.56 |
| Statutory Deposits | | | | 651,878.62 |
| Funds Held - Other | 0.00 | 0.00 | 0.00 | 1,055,156.12 |
| Funds Held - Reinsurer | | | | 6,577,828.74 |
| Furniture & Equipment | | | | 68,801.28 |
| Computer Systems | | | | 79,660.97 |
| Real Estate | | | | 4,365,491.00 |
| Other Assets | | | | 1,975,976.66 |
| Total Assets | 447,434.47 | 0.00 | 0.00 | 169,438,356.55 |
| Liabilities and Equity Balance: | | | | |
| Claims Payable: | | | | |
| Accident & Health | 5,000,000.00 | 3,467,071.00 | | 174,182,693.80 |
| Property & Casualty | | | | 243,888,697.56 |
| Title | | | | 68,417,899.80 |
| Assumptions Payable | | | | 6,575,039.00 |
| Loans Payable: | | | | |
| Guaranty Fund | | | | 294,585,400.68 |
| Liquidator Fund | | | | 14,800.00 |
| Abandoned Property Fund | | | | 1,164,250.00 |
| Accounts Payable | 2,506.43 | | | 67,731,607.52 |
| Notes Payable | | | | 9,547,759.71 |
| Total Liabilities | 5,002,506.43 | 3,467,071.00 | 0.00 | 866,108,148.07 |
| Equity Balance | (4,555,071.96) | (3,467,071.00) | 0.00 | (696,669,791.52) |
| Liabilities & Equity Balance | 447,434.47 | 0.00 | 0.00 | 169,438,356.55 |

Liquidation Division of the State Board of Insurance
Assets, Liabilities and Equity Balance
(net of restrictions and allowances)
Receiverships and Conservatorships
As of August 31, 1990

(UNAUDITED)

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NOTES:

1. Receiverships closed during the year:

   a. Receiverships #192, #193, #209, #248, #251, #261, #262, #267, #276, #282, #286, #290, #305, #315, #356, #367, #370, #372, #377, #383, #385, #389, #396, #399, #400, #401, #412, and #419 were closed by Court Order during the year ended 8/31/90.

   b. At closing, all liabilities of a receivership are written-off and assets are distributed according to the Court Order.

   c. The positive equity balances associated with receiverships #192 and #267 represent cash to be distributed.

2. The positive equity balance associated with receivership #213 is due to the retention of active life insurance policies with policy loan receivables; the positive equity will be used in the reinsurance of these active policies.

3. Receivership #232 wrote-off approximately $4.1 million of unearned premiums in November 1982, resulting in a positive equity balance.

4. Receivership #233 was an agency that filed bankruptcy soon after receivership; the bankruptcy proceedings extinguished the receivership's lieblities leaving the assets to be distributed.

5. Receivership #280 was placed into receivership for conducting unauthorized insurance business in violation of the Texas Insurance Code.

6. Receivership #314's statutory deposit exceeded its liabilities in Texas; however, solvency probalems in its domicilliary state, Iowa, forced the company into receivership.

7. The liabilities of receivership #370 were recognized by the domicilliary receiver in California; the Texas receiver kept the statutory deposit for administrative expenses and will transfer any excess funds to the domicilliary upon closing.

8. Receivership #392 claims ownership of the deposits of receivership #424 by virtue of a reinsurance assumption agreement made between the two parties.

9. The cash in receivership #436 represents funds provided by the purchasers of receivership #436 to cover court costs and expenses necessary to close this estate.

10. Receiverships #434, #437, #438, #441, and #442 had no recorded activity as of 8/31/90.

## *Liquidation Division - Cash Receipts, Disbursements & Cash Balance*

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 190<br>Old Natl Ins Co of Alabama | 192<br>Pioneer Casualty Co | 201<br>National Bkrs Life Ins Co | 205<br>Great Liberty Life Ins Co | 206<br>First Fire & Casualty | 209<br>Empire Life Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 369,237.15 | 4,615.97 | 2,430.14 | 9,421.83 | 4,767.21 | 127,104.53 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | | | | | |
| Litigation Settlement | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | 500.00 | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | 1,000.00 | 3,000.00 | | | (10,000.00) |
| Other Loans | | (3,415.60) | | (6,000.00) | | |
| Premium Income | | | | | | |
| Interest | 24,923.55 | 17,377.81 | 65.57 | 201.08 | 62.39 | 1,994.72 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | 12,300.00 | | | | | |
| Total Receipts | 37,723.55 | 14,962.21 | 3,065.57 | (5,798.92) | 62.39 | (8,005.28) |
| Total Cash Available 8/31/89 and Cash Receipts | 406,960.70 | 19,578.18 | 5,495.71 | 3,622.91 | 4,829.60 | 119,099.25 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 7,018.56 | 1,955.59 | 4,277.66 | 1,494.40 | 64.56 | 7,414.45 |
| Receivership/ Company | | | | | | |
| Contract Labor | | | | | | |
| Claims: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 10,942.43 | | 75.00 | | | |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | 110,627.10 |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | 4,757.75 | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | 0.51 | 4.59 | 5.10 | 1.02 | 0.51 | 3.06 |
| Office Rent | | | | | | |
| Postage | | 36.00 | | | | 82.00 |
| Reproduction | | | | | | 1.00 |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 3.10 | 15.91 | 32.37 | 3.36 | 0.54 | 15.97 |
| Travel | | | | | | |
| Utilities | | | | | | |
| Allocated Overhead | 908.27 | 225.28 | 416.64 | 163.93 | 5.93 | 845.88 |
| Miscellaneous Disbursements | 500.31 | 2.86 | 3.18 | 0.63 | 0.31 | 15.40 |
| Total Disbursements | 19,373.18 | 2,240.23 | 4,809.95 | 1,663.34 | 4,829.60 | 119,004.86 |
| Net Changes In Restrictions | 0.00 | 26,732.31 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 387,587.52 | 44,070.26 | 685.76 | 1,959.57 | (0.00) | 94.39 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 209CF<br>Credit Factoring Inc | 213<br>Old Natl Ins Co of Texas | 227<br>Interstate Ins Co | 231<br>Mobile Ins Co | 232<br>Mobile County Mutual Ins Co | 233<br>McIngvale Assoc Gen Agc |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 10,540.88 | 61,686.60 | 9.95 | 3,542,991.63 | 2,424,898.52 | 337,355.76 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | 896.98 | | |
| Receivables | | | | 1,424.74 | 27,938.31 | |
| Litigation Settlement | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | | | | (133,500.00) | 1,000.00 |
| Other Loans | | (2,162.25) | | | | |
| Premium Income | | | | | | |
| Interest | 5,821.81 | 8,116.25 | 0.21 | 367,808.27 | 262,343.53 | 26,063.69 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | (8,100.00) | | | | |
| Total Receipts | 5,821.81 | (2,146.00) | 0.21 | 370,129.99 | 156,781.84 | 27,063.69 |
| Total Cash Available 8/31/89 and Cash Receipts | 16,362.69 | 59,540.60 | 10.16 | 3,913,121.62 | 2,581,680.36 | 364,419.45 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 387.92 | 3,843.47 | | 4,861.40 | 5,689.35 | 1,663.93 |
| Receivership/ Company | | | | 1,098.91 | | |
| Contract Labor | | 9.50 | | | | |
| Claims: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | | | | |
| Professional Services: | | | | | | |
| Auditing | | 611.00 | | | | |
| Accounting | | 9,544.00 | | 9,685.00 | 2,808.00 | 1,408.00 |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | | 24,045.76 | | 878.65 | 2,779.62 | 160.43 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | 10.16 | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | 99,844.38 | | | | | 3,920.00 |
| Interest | | | | | | |
| Building Maintenance | | | | 18.00 | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | | | | 6.12 | 5.10 | 2.55 |
| Office Rent | | | | | | |
| Postage | | 31.96 | | 28.60 | | |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | | 45.62 | | 8.81 | 15.13 | 37.26 |
| Travel | | | | | | |
| Utilities | | | | | | |
| Allocated Overhead | 57.83 | 765.62 | | 407.28 | 538.53 | 195.20 |
| Miscellaneous Disbursements | 0.00 | 1,718.97 | 0.00 | 3.81 | 3.18 | 1.59 |
| Total Disbursements | 100,290.13 | 40,615.90 | 10.16 | 16,996.58 | 11,838.91 | 7,388.96 |
| Net Changes In Restrictions | 94,997.98 | 85,000.00 | 0.00 | 0.00 | (3,369.02) | 0.00 |
| Cash Available 8/31/90 | 11,070.54 | 103,924.70 | 0.00 | 3,896,125.04 | 2,566,472.43 | 357,030.49 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 246PAS<br>Phoenix Adj Serv | 247<br>Phoenix Fidelity Life | 248<br>General Protect Life | 249<br>American Guar Life Ins Co | 251<br>First America Surety Corp | 253<br>Sociedad Mut Mexicana |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 25,227.14 | 70,190.09 | 497,438.51 | 42,351.67 | 1,214.15 | 7,620.65 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | (31,250.00) | | | | |
| Litigation Settlement | | 31,250.00 | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | 6,990.00 |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | | | | | |
| Other Loans | | | (4,500.00) | | (15.77) | (4,600.00) |
| Premium Income | | | | | | |
| Interest | 1,234.02 | 3,337.63 | 32,426.58 | 2,044.51 | 31.80 | 113.05 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | | | | | |
| Total Receipts | 1,234.02 | 3,337.63 | 27,926.58 | 2,044.51 | 16.03 | 2,503.05 |
| Total Cash Available 8/31/89 and Cash Receipts | 26,461.16 | 73,527.72 | 525,365.09 | 44,396.18 | 1,230.18 | 10,123.70 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | | 4,559.81 | 2,600.10 | 1,486.21 | | 1,982.57 |
| Receivership/ Company | | | | | | |
| Contract Labor | | | | | | |
| Claims: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | | 909.00 |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | | | | | | 282.61 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | | 3.06 | 3.57 | 1.53 | | 0.51 |
| Office Rent | | | | | | |
| Postage | 3.00 | | 19.00 | | | |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 7.31 | 4.58 | 8.42 | 6.16 | 0.32 | 35.12 |
| Travel | | | | | | 15.36 |
| Utilities | | | | | | |
| Allocated Overhead | | 530.41 | 313.61 | 167.51 | | 208.43 |
| Miscellaneous Disbursements | 12.00 | 1.90 | 2.22 | 0.95 | 397.74 | 245.31 |
| Total Disbursements | 22.31 | 5,099.76 | 2,946.92 | 1,662.36 | 398.06 | 3,678.91 |
| Net Changes In Restrictions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 26,438.85 | 68,427.96 | 522,418.17 | 42,733.82 | 832.12 | 6,444.79 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #: | 254 | 256 | 257 | 258 | 259 | 260 |
|---|---|---|---|---|---|---|
| Rec Name: | Reserve Ins Co | Texas Health Plans Inc | Ministers Benefit Trust | United Capital Life Ins Co | Ray Medina & Union Fidelity | First United Life Ins Co |
| Cash Available 8/31/89 | 26.657.41 | 90.816.87 | 4.123.74 | 145.608.38 | 41.260.28 | 118.302.49 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | | | | | |
| Litigation Settlement | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | | | (56.000.00) | | 3.000.00 |
| Other Loans | | | 4.228.53 | | | |
| Premium Income | | | | | | |
| Interest | 1.202.48 | 5.529.34 | 133.45 | 7.519.33 | 1.980.51 | 5.629.07 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | | | | 11.20 | |
| Total Receipts | 1.202.48 | 5.529.34 | 4.361.98 | (48.480.67) | 1.991.71 | 8.629.07 |
| Total Cash Available 8/31/89 and Cash Receipts | 27.859.89 | 96.346.21 | 8.485.72 | 97.127.71 | 43.251.99 | 126.931.56 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 3.864.50 | 678.95 | 2.456.40 | 1.900.35 | 1.900.04 | 14.705.79 |
| Receivership/ Company | | | | | | |
| Contract Labor | | | | | | |
| Claims: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | 4.749.00 | | | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | | | 1.045.97 | 2.943.16 | | 10.417.27 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | 3.06 | 5.61 | 0.51 | 2.04 | 0.51 | 4.59 |
| Office Rent | | | | | | |
| Postage | | 1.00 | 6.15 | 50.55 | | 31.10 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 23.12 | 5.94 | 2.10 | 6.48 | 0.54 | 51.95 |
| Travel | | | | | 42.86 | |
| Utilities | | | | | | |
| Allocated Overhead | 399.60 | 76.55 | 223.31 | 234.85 | 252.75 | 1.519.34 |
| Miscellaneous Disbursements | 1.90 | 3.50 | 0.31 | 12.47 | 0.31 | 2.86 |
| Total Disbursements | 4.292.18 | 5.520.55 | 3.734.75 | 5.149.90 | 2.197.01 | 26.732.90 |
| Net Changes In Restrictions | 0.00 | 0.00 | 0.00 | 259.07 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 23.567.71 | 90.825.66 | 4.750.97 | 92.236.88 | 41.054.98 | 100.198.66 |

Liquidation Division of the State Board of Insurance
Cash Receipts. Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 261<br>Group Health Of El Paso | 262<br>Metrocare Inc | 263<br>Proprietors' Ins Co | 266<br>Metropolitan Trust Co | 267<br>Security Casualty Co | 269<br>Kenilworth Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 24.36 | 13.164.49 | 45.153.05 | 5.102.46 | 36.545.78 | 103.888.77 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | | | | 47.13 | |
| Litigation Settlement | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | | | | (7.154.00) | (21.665.00) |
| Other Loans | 2.525.92 | | | (567.46) | | |
| Premium Income | | | | | | |
| Interest | 95.77 | 680.96 | 2.133.07 | 222.30 | 1.517.38 | 4.562.69 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | | | | (1.04) | |
| Total Receipts | 2.621.69 | 680.96 | 2.133.07 | (345.16) | (5.590.53) | (17.102.31) |
| Total Cash Available 8/31/89 and Cash Receipts | 2.646.05 | 13.845.45 | 47.286.12 | 4.757.30 | 30.955.25 | 86.786.46 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 1.085.45 | 2.268.75 | 2.732.64 | 842.48 | 3.971.57 | 8.472.58 |
| Receivership/ Company | | | | | | |
| Contract Labor | | | | | | |
| Claims: | | | | | | |
| Accident & Health | | (8.336.86) | | | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | 3.936.00 | | | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 34.00 | | 1.391.41 | | | 3.405.90 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | 3.548.81 | 15.623.61 | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | 1.02 | 3.06 | 1.53 | | 2.04 | 1.02 |
| Office Rent | | | | | | |
| Postage | | | 9.25 | | | |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 6.00 | 77.01 | 1.62 | 4.78 | 13.13 | 6.13 |
| Travel | | | | | | |
| Utilities | | | | | | |
| Allocated Overhead | 118.97 | 271.98 | 277.33 | 87.54 | 347.88 | 976.91 |
| Miscellaneous Disbursements | 0.63 | 1.90 | 0.95 | 11.00 | 1.27 | (386.78) |
| Total Disbursements | 4.714.88 | 13.845.45 | 4.414.73 | 945.80 | 4.335.89 | 12.475.76 |
| Net Changes In Restrictions | 2.068.83 | 0.00 | 0.00 | 0.00 | 0.00 | (765.38) |
| Cash Available 8/31/90 | (0.00) | 0.00 | 42.871.39 | 3.811.50 | 26.619.36 | 73.545.32 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 270<br>Cotton Belt Ins Co | 271<br>Mall Ins Agency | 272<br>Premier Natl Life Ins Co | 273<br>Premier Group Services Inc | 274<br>Premier Natl Agency Inc | 275<br>Lloyds of Amer Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 199,735.09 | 665.76 | 76,490.22 | 2,352.67 | 84.56 | 963,632.07 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | | | | | 468.75 |
| Litigation Settlement | | | 3,333.36 | | | 10,312.50 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | 2,200.00 |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | | | | 5,000.00 | (345,000.00) |
| Other Loans | | 1,000.00 | | | (14.95) | |
| Premium Income | | | | | | |
| Interest | 24,548.11 | 2.73 | 3,684.38 | 24.09 | 137.55 | 50,528.08 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | | (13.49) | | | (0.05) |
| Total Receipts | 24,548.11 | 1,002.73 | 7,004.25 | 24.09 | 5,122.60 | (281,490.72) |
| Total Cash Available 8/31/89 and Cash Receipts | 224,283.20 | 1,668.49 | 83,494.47 | 2,376.76 | 5,207.16 | 682,141.35 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 3,483.90 | | 1,757.06 | 997.18 | 1,157.11 | 4,189.47 |
| Receivership/ Company | | | | | | |
| Contract Labor | | | | | | 112.00 |
| Claims: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | 3,256.00 | 1,224.00 | 1,726.00 | 1,764.05 |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | | | | | | 15,603.35 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | 1,671.99 | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | 2.55 | | 1.02 | 1.02 | 0.51 | 5.61 |
| Office Rent | | | | | | |
| Postage | 12.00 | | | | | 17.25 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 17.90 | | 3.01 | 4.10 | 5.46 | 46.33 |
| Travel | | | | | | |
| Utilities | | | | | | |
| Allocated Overhead | 382.22 | | 191.27 | 124.46 | 125.69 | 467.97 |
| Miscellaneous Disbursements | 1.59 | (3.50) | 1.63 | 0.63 | 0.31 | 3.50 |
| Total Disbursements | 3,900.16 | 1,668.49 | 5,209.99 | 2,351.39 | 3,015.08 | 22,209.53 |
| Net Changes In Restrictions | (14,885.56) | | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 205,497.48 | 0.00 | 78,284.48 | 25.37 | 2,192.08 | 659,931.82 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 276<br>Granite State Ins Co | 277<br>United Bankers Life Ins Co | 278<br>Equitable Exchange Inc | 279<br>Superior Lloyds Ins Co | 280<br>American Managers Inc | 281<br>ADCO Fire & Cas Inc Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 25,629.62 | 1,112,998.50 | 452,546.90 | 238,462.95 | 163,821.31 | 279,074.98 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | 465.00 | | | 74.62 | |
| Litigation Settlement | | | | 13,950.82 | | |
| Securities | | | | | | |
| Statutory Deposits | | 110,330.14 | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | 1,000.00 | | (121,000.00) | (46,000.00) | 5,000.00 | |
| Other Loans | | | | | | |
| Premium Income | | | | | | |
| Interest | 1,190.27 | 84,034.54 | 27,764.72 | 13,984.07 | 9,798.85 | 19,485.10 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | (0.08) | (2.30) | | | (5.39) |
| Total Receipts | 2,190.27 | 194,829.60 | (93,237.58) | (18,065.11) | 14,873.47 | 19,479.71 |
| Total Cash Available 8/31/89 and Cash Receipts | 27,819.89 | 1,307,828.10 | 359,309.32 | 220,397.84 | 178,694.78 | 298,554.69 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 4,009.97 | 9,839.06 | 5,380.61 | 4,894.64 | 2,587.10 | 6,161.52 |
| Receivership/ Company | | | | | | 4,335.84 |
| Contract Labor | | | | | | |
| Claims: | | | | | | |
| Accident & Health | | 4,782.75 | | | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | 2,495.00 | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | | 4,882.61 | 705.50 | 4,652.28 | | |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | 2.16 | 17.34 | 3.57 | 2.55 | 2.04 | 2.55 |
| Office Rent | | | | | | |
| Postage | 11.00 | 38.45 | | | | |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 13.58 | 35.88 | 23.15 | 8.61 | 2.16 | 15.60 |
| Travel | | | | | | |
| Utilities | | | | | | |
| Allocated Overhead | 353.56 | 1,180.27 | 654.78 | 538.29 | 309.47 | 689.91 |
| Miscellaneous Disbursements | 1.27 | 10.82 | 2.22 | 1.59 | 1.27 | 1.59 |
| Total Disbursements | 4,391.54 | 20,787.18 | 6,769.83 | 10,097.96 | 5,397.04 | 11,207.01 |
| Net Changes In Restrictions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 23,428.35 | 1,287,040.92 | 352,539.49 | 210,299.88 | 173,297.74 | 287,347.68 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 282<br>Colonial Title Inc | 284<br>Florida General Life Ins Co | 285<br>I M Dibease DBA Action Ins | 286<br>Limestone Life Assoc | 288<br>Steve Miles Ins Agency | 289<br>Independent Bkr Life Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 11,808.92 | 818.89 | 2,967.09 | 295.32 | 567.22 | 2,047,939.83 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | | | | | |
| Litigation Settlement | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | 280,268.76 |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | | 1,500.00 | 1,000.00 | | (60,000.00) |
| Other Loans | (600.00) | (223.87) | (100.00) | 8,000.00 | | |
| Premium Income | | | | | | |
| Interest | 436.66 | 5.72 | 136.50 | | 3.08 | 138,332.85 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | | | | | |
| Total Receipts | (163.34) | (218.15) | 1,536.50 | 9,000.00 | 3.08 | 358,601.61 |
| Total Cash Available 8/31/89 and Cash Receipts | 11,645.58 | 600.74 | 4,503.59 | 9,295.32 | 570.30 | 2,406,541.44 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 3,058.73 | | 1,115.48 | 1,483.02 | 146.50 | 8,129.70 |
| Receivership/ Company | | | | | | |
| Contract Labor | | | | | | |
| Claims: | | | | | | |
| Accident & Health | | | | | | 551.31 |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 3,940.18 | 51.00 | | | | 1,733.74 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | (747.05) | | | | | |
| Distribution of Equity | | | | | 389.61 | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | 2.04 | | 2.55 | 1.53 | 6.12 | 6.63 |
| Office Rent | | | | | | |
| Postage | | | | | | 41.15 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 4.33 | 20.77 | 32.21 | 1.62 | 6.48 | 40.32 |
| Travel | | | | | | |
| Utilities | | | | | | |
| Allocated Overhead | 293.21 | | 129.74 | 199.72 | 17.78 | 935.72 |
| Miscellaneous Disbursements | 1.27 | 0.00 | 1.59 | 0.95 | 3.81 | 4.31 |
| Total Disbursements | 6,552.71 | 71.77 | 1,281.57 | 1,686.84 | 570.30 | 11,442.88 |
| Net Changes In Restrictions | (747.05) | 0.00 | 0.00 | 0.00 | | (516.68) |
| Cash Available 8/31/90 | 4,345.82 | 528.97 | 3,222.02 | 7,608.48 | 0.00 | 2,394,581.88 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 290<br>Oklahoma Ins Logistics Co | 291<br>Pac American Ins Co | 292<br>Excalibur Ins Co | 293<br>Surety Ins Co of Calif | 294<br>Independent Standard Ins Co | 295<br>Aspen Indem Corp |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 983,749.98 | 116,563.91 | 461,654.69 | 384,234.91 | 77,966.06 | 578.30 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | | | | | |
| Litigation Settlement | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | | (65,000.00) | 78,500.00 | (35,000.00) | |
| Other Loans | | | | | | |
| Premium Income | | | | | | |
| Interest | 59,389.85 | 6,356.97 | 21,321.63 | 19,051.97 | 12,473.00 | 452.10 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | | | | | |
| Total Receipts | 59,389.85 | 6,356.97 | (43,678.37) | 97,551.97 | (22,527.00) | 452.10 |
| Total Cash Available 8/31/89 and Cash Receipts | 1,043,139.83 | 122,920.88 | 417,976.32 | 481,786.88 | 55,439.06 | 1,030.40 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 5,882.49 | 9,912.49 | 18,463.91 | 11,980.05 | 4,868.27 | |
| Receivership/ Company | | | | | | |
| Contract Labor | 8.00 | | 40.51 | | | |
| Claims: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | 82,744.75 | 11,000.00 | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | 308.61 | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | | 12,448.59 | 5,565.32 | 18,225.55 | | |
| Judgments | | | | 23,000.00 | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | 134,033.39 | |
| Distribution of Equity | 1,039,750.63 | | | | | 15,247.35 |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | 1.53 | 4.59 | 4.08 | 7.14 | 13.77 | |
| Office Rent | | | | | | |
| Postage | | 75.60 | 149.61 | 304.65 | 11.25 | |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 2.30 | 42.34 | 90.19 | 51.34 | 26.64 | |
| Travel | | | | 40.60 | | |
| Utilities | | | | | | |
| Allocated Overhead | 706.21 | 961.94 | 2,022.61 | 1,353.27 | 534.90 | |
| Miscellaneous Disbursements | 0.95 | 2.86 | 2.54 | 4.45 | 8.59 | 0.00 |
| Total Disbursements | 1,046,352.11 | 23,448.41 | 109,392.13 | 65,967.05 | 139,496.83 | 15,247.35 |
| Net Changes In Restrictions | 3,212.28 | 0.00 | 0.00 | 0.00 | 134,033.39 | 14,216.95 |
| Cash Available 8/31/90 | (0.00) | 99,472.47 | 308,584.19 | 415,819.83 | 49,975.62 | 0.00 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 296<br>Amer Real Estate Assoc | 297<br>Southeast Indem Corp | 298<br>University Life Ins Co | 299<br>Natl Investor Life Ins Co | 300<br>Ideal Mutual Ins Co | 301<br>Commercial Stdrd Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 3.927.30 | 696.631.38 | 9.367.43 | 3.164.72 | 309.294.38 | 4.660.392.86 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | 3.240.15 | | | | |
| Receivables | 50.00 | | | | 648.718.88 | 281.673.73 |
| Litigation Settlement | | 14.878.54 | | | | 5.998.98 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | 33.000.00 | | 95.000.00 | 510.000.00 | |
| Other Loans | (1.209.00) | | | | | |
| Premium Income | | | | | | |
| Interest | 8.237.74 | 48.538.29 | 448.36 | 3.214.13 | 53.504.41 | 405.349.56 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | 75.00 |
| Miscellaneous Receipts | | | | | 60.96 | 3.00 |
| Total Receipts | 7.078.74 | 99.656.98 | 448.36 | 98.214.13 | 1.212.284.25 | 693.100.27 |
| Total Cash Available 8/31/89 and Cash Receipts | 11.006.04 | 796.288.36 | 9.815.79 | 101.378.85 | 1.521.578.63 | 5.353.493.13 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 1.291.30 | 21.861.97 | 379.15 | 5.283.08 | 58.564.70 | 32.693.95 |
| Receivership/ Company | | | | | | |
| Contract Labor | | | | | 7.225.16 | |
| Claims: | | | | | | |
| Accident & Health | | | | 87.577.49 | | |
| Property & Casualty | | 67.670.71 | | | 324.318.33 | 41.111.27 |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | 4.722.70 | | | 18.162.95 | 227.58 |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | | 580.32 |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 2.616.05 | 357.00 | | | 29.020.12 | 26.206.91 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | 4.818.00 |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | 3.57 | 11.22 | 1.02 | 1.02 | 32.65 | 21.94 |
| Office Rent | | | | | | |
| Postage | | 110.30 | | | 248.63 | 117.38 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 12.52 | 81.59 | 4.82 | 1.35 | 338.02 | 197.29 |
| Travel | | | | | | |
| Utilities | | | | | | |
| Allocated Overhead | 259.93 | 2.245.54 | 41.97 | 631.21 | 6.341.51 | 3.550.74 |
| Miscellaneous Disbursements | 2.22 | 7.00 | 0.63 | 0.63 | 863.36 | 13.68 |
| Total Disbursements | 4.185.59 | 97.068.03 | 427.59 | 93.494.78 | 445.115.43 | 109.539.06 |
| Net Changes In Restrictions | (6.787.79) | (18.118.69) | 0.00 | 0.00 | (13.833.31) | (86.683.95) |
| Cash Available 8/31/90 | 32.66 | 681.101.64 | 9.388.20 | 7.884.07 | 1.062.629.89 | 5.157.270.12 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 302<br>Early American Ins Co | 303<br>Eastern Indem Co of Md | 304<br>Columbus Ins Co | 305<br>Commonwealth Marine | 306<br>S.L. Wilkinson DBA American Ins | 307<br>S&H Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 399,594.60 | 100,167.79 | 582,116.21 | 976.28 | 2,245.81 | 10,224.66 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | 49,895.41 | | | | | |
| Litigation Settlement | | 3,000.00 | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | (47,895.41) | 345,000.00 | 50,000.00 | 3,000.00 | 1,000.00 | |
| Other Loans | | | | (200.00) | (170.00) | |
| Premium Income | | | | | | |
| Interest | 20,033.02 | 38,730.11 | 31,880.63 | 8.59 | 98.78 | 9,985.39 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | 1,446.57 | | | | |
| Total Receipts | 22,033.02 | 388,176.68 | 81,880.63 | 2,808.59 | 928.78 | 9,985.39 |
| Total Cash Available 8/31/89 and Cash Receipts | 421,627.62 | 488,344.47 | 663,996.84 | 3,784.87 | 3,174.59 | 20,210.05 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 16,309.83 | 34,439.07 | 15,772.76 | 520.81 | 1,004.49 | 2,356.76 |
| Receivership/ Company | | | | | | |
| Contract Labor | | 806.90 | | | | |
| Claims: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | 132,923.56 | 111,000.00 | 62,728.79 | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 137.16 | 2,534.70 | 324.99 | 120.07 | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 38,911.03 | 104,278.20 | 16,155.31 | | | 1,175.52 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | 42,645.41 | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | 3,093.67 | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | 3.85 |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | 63.32 | 311.20 | | | | |
| Office & Computer Supplies | 8.16 | 23.90 | 10.20 | 1.53 | 0.51 | 1.53 |
| Office Rent | | | | | | |
| Postage | 100.53 | 299.14 | 87.55 | | | |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 48.66 | 222.98 | 48.54 | 1.62 | 0.54 | 2.13 |
| Travel | 6.55 | | | | | |
| Utilities | | | | | | |
| Allocated Overhead | 1,790.55 | 3,989.13 | 1,833.09 | 42.22 | 106.14 | 267.71 |
| Miscellaneous Disbursements | 5.09 | 21.95 | 6.36 | 4.95 | 0.31 | 0.95 |
| Total Disbursements | 190,304.44 | 300,572.58 | 96,967.59 | 3,784.87 | 1,111.99 | 3,808.45 |
| Net Changes In Restrictions | 0.00 | (28,352.30) | 0.00 | 0.00 | 0.00 | (9,571.58) |
| Cash Available 8/31/90 | 231,323.18 | 159,419.59 | 567,029.25 | 0.00 | 2,062.60 | 6,830.02 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #: | 308 | 309 | 310 | 311 | 312 | 313 |
|---|---|---|---|---|---|---|
| Rec Name: | United Employers Ins | Christian Org Med Society | G D Albright DBA J Young | Texas Republic Title Co | Union Indem Ins Co of NY | Transit Casualty Co |
| Cash Available 8/31/89 | 439,177.78 | 52,516.02 | 398.73 | 116,567.59 | 175,143.38 | 1,241,775.20 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | | | | | |
| Litigation Settlement | | 365,826.53 | | | | 2,985,106.08 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | (29,000.00) | 58,000.00 | 1,000.00 | | 40,000.00 | 250,000.00 |
| Other Loans | | (49,335.51) | (240.00) | (3,000.00) | | |
| Premium Income | | | | | | |
| Interest | 20,632.79 | 6,405.55 | 2.69 | 7,506.42 | 8,734.68 | 86,383.15 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | 323.36 | | | | 94.34 |
| Total Receipts | (8,367.21) | 381,219.93 | 762.69 | 4,506.42 | 48,734.68 | 3,321,583.57 |
| Total Cash Available 8/31/89 and Cash Receipts | 430,810.57 | 433,735.95 | 1,161.42 | 121,074.01 | 223,878.06 | 4,563,358.77 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 23,264.64 | 8,085.37 | 966.62 | 2,746.59 | 6,833.50 | 139,324.71 |
| Receivership/ Company | | | | | | |
| Contract Labor | | 716.50 | | | | 8,124.84 |
| Claims: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | 66,050.90 | | | | | 470,584.88 |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 4,481.65 | | | | | 19,825.56 |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | 1,400.00 | 68,538.50 | | | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 1,053.73 | 107,141.36 | | 967.85 | 28,580.70 | 438,387.43 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | 1,100.00 |
| Moving | | | | | | 92.57 |
| Office & Computer Supplies | 538.99 | 4.59 | 1.53 | 4.08 | 3.06 | 160.23 |
| Office Rent | | | | | | |
| Postage | 35.30 | | 7.30 | | 2.75 | 1,393.89 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 136.25 | 67.48 | 3.81 | 13.30 | 12.76 | 842.03 |
| Travel | 58.96 | 5.02 | | | | 510.88 |
| Utilities | | | | | | |
| Allocated Overhead | 2,614.12 | 939.06 | 167.83 | 303.94 | 887.17 | 14,963.08 |
| Miscellaneous Disbursements | 846.15 | 2.86 | 5.95 | 2.54 | 1.90 | 2,772.42 |
| Total Disbursements | 100,480.69 | 105,500.74 | 1,153.04 | 4,038.30 | 36,321.84 | 1,098,062.50 |
| Net Changes In Restrictions | 0.00 | 81,664.18 | 0.00 | (115,948.67) | 0.00 | 0.00 |
| Cash Available 8/31/90 | 330,329.88 | 329,899.39 | 8.38 | 1,087.04 | 187,556.22 | 3,465,296.27 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 314<br>Iowa Natl Mutual Ins Co | 315<br>Continental Service Life | 317<br>Carriers Ins Co | 318<br>Amer Fidelity Fire Ins Co | 319<br>Texas Fidelity Life Ins Co | 320<br>Great Global Assurance Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 63,684.13 | 7,906.41 | 736,355.39 | 18,786.89 | 194,105.21 | 289,001.85 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | | | | | |
| Litigation Settlement | | | 20,000.00 | 448.48 | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | 10,500.00 | (125,000.00) | 500.00 | 15,000.00 | |
| Other Loans | | | | | | |
| Premium Income | | | 10,178.05 | | | |
| Interest | 3,063.86 | 386.61 | 43,937.96 | 883.69 | 10,166.61 | 11,954.20 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | | | 2.10 | 516.82 | |
| Total Receipts | 3,063.86 | 10,886.61 | (50,883.99) | 1,834.27 | 25,683.43 | 11,954.20 |
| Total Cash Available 8/31/89 and Cash Receipts | 66,747.99 | 18,793.02 | 685,471.40 | 20,621.16 | 219,788.64 | 300,956.05 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 1,759.56 | 2,130.47 | 31,024.76 | 2,648.89 | 8,061.65 | 15,895.18 |
| Receivership/ Company | | | | | 10,920.12 | |
| Contract Labor | | | | | | |
| Claims: | | | | | | |
| Accident & Health | | 3,570.70 | | | | |
| Property & Casualty | | | 157,210.86 | 59.00 | | 1,415.32 |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | 162.59 | | | 723.53 |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | 6,285.00 | |
| Actuarial | | | | | 4,356.41 | |
| Consulting | | | | | | |
| Legal | | 1,071.25 | 41,034.22 | | 67,190.52 | 10,065.12 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | 11,757.90 | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | 84.90 | | | 243.30 |
| Office & Computer Supplies | 2.55 | 2.55 | | 1.53 | 5.61 | 53.07 |
| Office Rent | | | 32.14 | | | |
| Postage | | | 204.67 | | 37.90 | 185.65 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 7.84 | 13.68 | 176.25 | 14.99 | 68.97 | 228.13 |
| Travel | | | | | 1,794.50 | |
| Utilities | | | | | | |
| Allocated Overhead | 199.69 | 244.88 | 3,337.75 | 301.90 | 769.46 | 1,732.80 |
| Miscellaneous Disbursements | 1.59 | 1.59 | 20.04 | 0.95 | 3.50 | 33.09 |
| Total Disbursements | 1,971.23 | 18,793.02 | 233,308.18 | 3,027.26 | 99,493.64 | 30,575.19 |
| Net Changes In Restrictions | 0.00 | 0.00 | (183.90) | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 64,776.76 | 0.00 | 451,979.32 | 17,593.90 | 120,295.00 | 270,380.86 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 321<br>Texas Fire Ins Co | 322<br>Midland Ins Co | 323<br>Amer Druggist Ins Co | 324<br>Western Pref Casualty Co | 325<br>Allied Fidelity Ins Co | 326<br>California Life Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 6,842,289.90 | 665,838.15 | 75,002.99 | 64,810.23 | 120,400.73 | 58,586.10 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | 13,085.40 | | | | | |
| Receivables | | | | | | |
| Litigation Settlement | | 1,900,000.00 | | | 700.00 | |
| Securities | | 11,285.05 | | | | |
| Statutory Deposits | | 58,121.38 | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | 985,000.00 | 6,000.00 | 115,000.00 | 385,500.00 | |
| Other Loans | | | | | | |
| Premium Income | | | | | | |
| Interest | 716,452.81 | 48,193.63 | 3,429.48 | 3,034.26 | 9,463.94 | 2,916.98 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | (28,778.61) | 135.91 | | | | |
| Total Receipts | 700,759.60 | 3,002,735.97 | 9,429.48 | 118,034.26 | 395,663.94 | 2,916.98 |
| Total Cash Available 8/31/89 and Cash Receipts | 7,543,049.50 | 3,668,574.12 | 84,432.47 | 182,844.49 | 516,064.67 | 61,503.08 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 101,207.98 | 65,675.69 | 8,584.12 | 4,000.76 | 47,858.39 | 3,380.35 |
| Receivership/ Company | | | | | | |
| Contract Labor | 362.49 | 5,761.24 | | | 120.00 | 34.00 |
| Claims: | | | | | | |
| Accident & Health | | | | | | 7,681.00 |
| Property & Casualty | | 1,028,463.19 | 8,971.41 | 116,796.90 | 212,015.03 | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 31,343.02 | 149,350.38 | 6.50 | | 2,921.14 | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | 2,550.00 | | | | | |
| Actuarial | | | | | | |
| Consulting | 17,921.00 | | | | | |
| Legal | 564,249.38 | 39,370.96 | 685.45 | 8,509.55 | 32,329.12 | |
| Judgments | | | | | | |
| Foreign Receiver Expense | 20,092.70 | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | 139.60 | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | 11,446.00 | | | | | |
| Insurance | | | | | | |
| Moving | | 311.72 | | | | |
| Office & Computer Supplies | 73.99 | 41.84 | 9.18 | 2.55 | 45.92 | 6.12 |
| Office Rent | | | | | | |
| Postage | 555.35 | 348.05 | | | 441.65 | |
| Reproduction | 404.51 | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 478.27 | 356.98 | 15.09 | 8.09 | 431.79 | 30.76 |
| Travel | 6,153.18 | 332.89 | | | 141.41 | |
| Utilities | | | | | | |
| Allocated Overhead | 11,428.52 | 6,326.02 | 802.51 | 445.37 | 4,823.08 | 393.48 |
| Miscellaneous Disbursements | 31.14 | 115,364.00 | 28.67 | 1.59 | 28.64 | 3.81 |
| Total Disbursements | 768,297.53 | 1,411,702.96 | 19,102.93 | 129,764.81 | 301,295.77 | 11,529.52 |
| Net Changes In Restrictions | 172,383.16 | (1,912,686.32) | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 6,947,135.13 | 344,184.84 | 65,329.54 | 53,079.68 | 214,768.90 | 49,973.56 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 327<br>Continental<br>Bkrs Life Ins | 328<br>Natl Allied<br>Ins Co | 329<br>Dexter Lloyds<br>Ins Co | 330<br>Signal Ins<br>Lloyds Co | 331<br>Mission<br>Ins Co | 332<br>Mission<br>Natl Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 307,875.89 | 4,519,407.26 | 1,012,928.64 | 690,777.36 | 878,496.02 | 1,037,097.23 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | 36,666.78 | | | (788.67) | 111,266.71 |
| Litigation Settlement | | 73,060.25 | 5.72 | | | 180,000.00 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | 80,277.00 | 503,066.40 | 20,000.00 | (54,000.00) | | 124,714.70 |
| Other Loans | | | | | | |
| Premium Income | | | | | | |
| Interest | 19,909.69 | 312,832.34 | 94,355.38 | 30,192.75 | 61,592.06 | 66,546.90 |
| Rent Income | | | | | | |
| Recovered Expenses | | | 3,803.47 | | | |
| Miscellaneous Receipts | | (44.47) | | | | 4.30 |
| Total Receipts | 100,186.69 | 925,581.30 | 118,164.57 | (23,807.25) | 60,803.39 | 482,532.61 |
| Total Cash Available 8/31/89 and Cash Receipts | 408,062.58 | 5,444,988.56 | 1,131,093.21 | 666,970.11 | 939,299.41 | 1,519,629.84 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 14,498.26 | 87,403.05 | 54,280.15 | 9,219.48 | 67,979.19 | 138,105.84 |
| Receivership/ Company | | | 14,823.61 | | | |
| Contract Labor | | | 4,299.10 | | 4,586.69 | 4,569.55 |
| Claims: | | | | | | |
| Accident & Health | 48,610.40 | | | | | |
| Property & Casualty | | 676,138.51 | 31,731.90 | 104,514.37 | 57,816.03 | 346,902.74 |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 29.70 | 2,942.87 | 10,376.69 | 345.66 | 12,346.35 | 14,615.53 |
| Professional Services: | | | | | | |
| Auditing | | | 113.75 | | | |
| Accounting | | 1,400.00 | 8,745.00 | | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 20,546.68 | 115,692.02 | 94,683.64 | 5,258.97 | 93,841.06 | 224,057.66 |
| Judgments | | 7,022.49 | | | | 2,207.82 |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | 28,753.84 | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | 2,260.00 | |
| Moving | | | | | 140.14 | |
| Office & Computer Supplies | 8.16 | 80.11 | 31.63 | 9.18 | 52.56 | 110.73 |
| Office Rent | | | | | | |
| Postage | 106.05 | 475.30 | 284.03 | 105.55 | 1,098.32 | 2,218.84 |
| Reproduction | | 247.65 | | | | 285.75 |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 83.67 | 391.30 | 300.95 | 49.69 | 453.21 | 897.79 |
| Travel | 91.66 | | 11.04 | | 297.24 | |
| Utilities | | | | | | |
| Allocated Overhead | 1,713.23 | 9,412.01 | 6,217.77 | 1,060.40 | 7,340.85 | 14,370.94 |
| Miscellaneous Disbursements | 5.09 | 41.26 | 19.73 | 5.72 | 32.77 | 221,161.23 |
| Total Disbursements | 85,692.90 | 930,000.41 | 225,918.99 | 120,569.02 | 248,244.41 | 969,504.22 |
| Net Changes In Restrictions | (2,544.63) | 102,816.75 | 346,409.19 | 0.00 | (14,867.59) | (10,259.54) |
| Cash Available 8/31/90 | 319,825.05 | 4,617,804.90 | 1,251,583.41 | 546,401.09 | 676,187.41 | 539,866.08 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #: | 334 | 335 | 336 | 337 | 338 | 340 |
|---|---|---|---|---|---|---|
| Rec Name: | Enterprise Ins Co | Hermitage Health & Life | Keystone Life Ins Co | Preferred Emp Ins Co | Edward Patterso Cude, et al | Eagle Life Ins Co |
| Cash Available 8/31/89 | 412,630.25 | 417,659.04 | 1,366,062.61 | 936,336.64 | 526,270.19 | 557,170.70 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | 8,796.70 | 136,423.02 | | 483,999.75 | 9,933.72 | 50,058.05 |
| Litigation Settlement | | | | 45,081.64 | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | 50,000.00 | 24,093.30 | 156,917.90 | | |
| Other Loans | | | | | (33,500.00) | |
| Premium Income | | | | | | |
| Interest | 34,841.99 | 27,135.38 | 92,645.30 | 65,032.37 | 34,830.13 | 65,359.47 |
| Rent Income | | | | | | |
| Recovered Expenses | | | 1,022.08 | | | |
| Miscellaneous Receipts | | | 31.00 | 1.00 | | 13,689.83 |
| Total Receipts | 43,638.69 | 213,558.40 | 117,791.68 | 751,032.66 | 11,263.85 | 129,107.35 |
| Total Cash Available 8/31/89 and Cash Receipts | 456,268.94 | 631,217.44 | 1,483,854.29 | 1,687,369.30 | 537,534.04 | 686,278.05 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 7,605.08 | 13,419.86 | 27,467.83 | 92,301.20 | 8,691.81 | 21,306.24 |
| Receivership/ Company | | | | 40.00 | | 14,679.11 |
| Contract Labor | 84.73 | | 390.00 | 802.86 | | 154.84 |
| Claims: | | | | | | |
| Accident & Health | | 26,050.03 | 30,173.22 | | | 1,982.59 |
| Property & Casualty | 53,441.00 | | | 302,358.15 | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 689.49 | | 3,504.74 | 14,048.32 | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | 4,701.40 | | | 3,039.00 |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 2,507.61 | 14,353.16 | 124,703.40 | 64,279.77 | 3,917.02 | 4,864.62 |
| Judgments | | | 1,250.00 | | | |
| Foreign Receiver Expense | | 373,521.63 | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | 1,761.54 | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | 1.35 | | | | | |
| Office & Computer Supplies | 8.16 | 2.04 | 38.78 | 111.24 | 24.49 | 17.34 |
| Office Rent | | | | | | |
| Postage | 74.95 | | 978.45 | 673.49 | 23.65 | 149.55 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | 10,472.36 | | | |
| Telephone | 32.46 | 60.92 | 377.54 | 568.05 | 71.46 | 181.07 |
| Travel | | | 166.46 | 146.50 | | |
| Utilities | | | | | | |
| Allocated Overhead | 875.11 | 1,510.45 | 2,928.06 | 9,768.65 | 1,023.70 | 2,456.86 |
| Miscellaneous Disbursements | 5.09 | 1.27 | 35.15 | 69.37 | 680.73 | 10.82 |
| Total Disbursements | 65,325.03 | 428,919.36 | 207,187.39 | 485,167.60 | 16,194.40 | 48,842.04 |
| Net Changes In Restrictions | (13,202.27) | 0.00 | 0.00 | (9,552.84) | (353.80) | (7,128.88) |
| Cash Available 8/31/90 | 377,741.64 | 202,298.08 | 1,276,666.90 | 1,192,648.86 | 520,985.84 | 630,307.13 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #: | 341 | 342 | 343 | 344 | 345 | 347 |
|---|---|---|---|---|---|---|
| Rec Name: | Texas Retailer Association | North American Ins Co | Integrity Ins Co | Norman Cowart et al | Ruth Mills Buford, et al | Professional Risk Management |
| Cash Available 8/31/89 | 55.716.82 | 279.568.84 | 1.071.204.06 | 307.265.74 | 81.624.73 | 23.701.58 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | 4.469.02 | | |
| Receivables | | | | | | |
| Litigation Settlement | | | 7.650.000.00 | | | |
| Securities | | | | 23.061.06 | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | 11.473.05 | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | | | | | 1.000.00 |
| Other Loans | (500.00) | | | (15.000.00) | | (3.793.57) |
| Premium Income | | | | | | |
| Interest | 2.082.60 | 15.931.14 | 103.194.75 | 33.771.54 | 4.534.17 | 998.52 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | | | 15.40 | | |
| Total Receipts | 1.582.60 | 15.931.14 | 7.753.194.75 | 57.790.07 | 4.534.17 | (1.795.05) |
| Total Cash Available 8/31/89 and Cash Receipts | 57.299.42 | 295.499.98 | 8.824.398.81 | 365.055.81 | 86.158.90 | 21.906.53 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 9.825.05 | 3.222.25 | 73.319.01 | 10.193.52 | 2.219.67 | 2.558.04 |
| Receivership/ Company | | | | | | |
| Contract Labor | | 182.00 | 1.214.73 | 9.85 | | |
| Claims: | | | | | | |
| Accident & Health | 5.915.79 | | | | | |
| Property & Casualty | | | 102.082.99 | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | 236.44 | 2.916.19 | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | 3.669.66 | | | | | 1.103.56 |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | | 1.574.20 | 92.020.86 | 2.963.89 | | |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | 7.000.000.00 | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | 3.442.22 | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | 138.25 | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | 75.00 | | |
| Insurance | | | | 289.00 | | |
| Moving | | | | | | |
| Office & Computer Supplies | 5.61 | 1.53 | 48.98 | 16.32 | 2.04 | 1.53 |
| Office Rent | | | | | | |
| Postage | 125.02 | 43.60 | 393.09 | 169.00 | 19.90 | 20.00 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | 200.00 |
| Telephone | 191.48 | 76.20 | 531.49 | 129.15 | 8.56 | 10.47 |
| Travel | | | 159.49 | 55.97 | | |
| Utilities | | | | | | |
| Allocated Overhead | 1.058.23 | 366.64 | 7.918.23 | 1.062.57 | 224.15 | 280.68 |
| Miscellaneous Disbursements | 3.50 | 0.95 | 72.60 | 10.18 | 1.27 | 0.95 |
| Total Disbursements | 20.794.34 | 9.146.03 | 7.280.677.66 | 15.112.70 | 2.475.59 | 4.175.23 |
| Net Changes In Restrictions | 0.00 | 0.00 | (626.773.60) | (18.547.65) | 0.00 | 0.00 |
| Cash Available 8/31/90 | 36.505.08 | 286.353.95 | 916.947.55 | 331.395.46 | 83.683.31 | 17.731.30 |

Liquidation Division of the State Board of Insurence
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 348<br>Contractors Ins Exchange | 349<br>Summit Title Co | 350<br>Citizens Natl Assurance Co | 351<br>International Fid Life Ins Co | 352<br>Central Texas Health Plan | 353<br>Farm & Ranch Life Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 850,952.71 | 139,014.22 | 538,177.38 | 1,574,379.61 | 408,006.41 | 3,763.35 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | | | 115,033.79 | | |
| Litigation Settlement | | | 36,780.00 | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | (461.20) | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | (85,390.01) | 98,500.00 | 473,000.00 | (383,000.00) | | 19,000.00 |
| Other Loans | | | | | (887.66) | |
| Premium Income | | | | 25.74 | | |
| Interest | 40,973.09 | 3,919.07 | 20,069.32 | 63,754.09 | 20,775.63 | 300.67 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | 30.00 | 29.25 | | | 281.80 | |
| Total Receipts | (44,386.92) | 102,448.32 | 529,849.32 | (204,647.58) | 20,169.77 | 19,300.67 |
| Total Cash Available 8/31/89 and Cash Receipts | 806,565.79 | 241,462.54 | 1,068,026.70 | 1,369,732.03 | 428,176.18 | 23,064.02 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 50,006.36 | 13,237.26 | 91,503.37 | 52,225.92 | 2,006.11 | 5,261.52 |
| Receivership/ Company | | 424.06 | | | | |
| Contract Labor | | 827.10 | 1,139.84 | | | 17.68 |
| Claims: | | | | | | |
| Accident & Health | | | | 426,087.37 | | 2,257.07 |
| Property & Casualty | 209,769.03 | | 495,450.37 | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 11,639.82 | 412.50 | 13,512.79 | 933.75 | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | 10,852.39 | 56,243.96 | | 1,647.60 | 770.00 | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 30,571.74 | 69,868.71 | 73,899.94 | 8,706.72 | | |
| Judgments | | 9,333.33 | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | 65,000.00 | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | 40.67 | | |
| Office & Computer Supplies | 53.16 | 36.25 | 53.58 | 162.27 | 4.08 | 5.10 |
| Office Rent | | | | | | |
| Postage | 270.30 | 116.31 | 481.95 | 2,195.40 | 14.05 | 32.00 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | 202.50 | | | | |
| Telephone | 186.39 | 163.15 | 452.69 | 667.25 | 32.12 | 27.88 |
| Travel | | | 10.32 | | | |
| Utilities | | | | | | |
| Allocated Overhead | 4,825.21 | 1,564.18 | 9,810.50 | 5,849.40 | 251.65 | 643.51 |
| Miscellaneous Disbursements | 20.68 | 22.59 | (32.44) | 43.20 | 2.54 | 3.18 |
| Total Disbursements | 318,175.08 | 217,451.88 | 686,282.91 | 498,559.55 | 3,080.55 | 8,247.94 |
| Net Changes In Restrictions | 0.00 | (2,050.47) | 0.00 | (1,226.03) | 0.00 | 0.00 |
| Cash Available 8/31/90 | 488,390.71 | 21,960.19 | 381,743.79 | 869,946.45 | 425,095.63 | 14,816.08 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 354<br>Buffalo Title of Houston | 355<br>Professional Mutual Ins Co | 356<br>James D Atkins, et al | 357<br>Southern International | 358<br>Federal Title Co | 359<br>Homeland Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 168,036.92 | 191,470.43 | 3,280.20 | 299,449.72 | 79,915.96 | 105,039.02 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | 13,784.67 | | | | | |
| Receivables | 75,385.57 | | | | | |
| Litigation Settlement | | | | | | 7,200.00 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | 100,000.00 |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | 1,613.00 | | |
| Real Estate | | | | | | |
| Other Assets | 1,400.00 | | | | | |
| Guaranty Fund Loans | 37,822.00 | 2,081,000.00 | 1,000.00 | | 35,000.00 | 252,000.00 |
| Other Loans | | | | (2,219.10) | | |
| Premium Income | | | | | | |
| Interest | 6,725.13 | 13,285.30 | 100.40 | 43,500.97 | 3,428.12 | 6,704.24 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | (79,713.19) | | | | 802.13 | |
| Total Receipts | 55,404.18 | 2,094,285.30 | 1,100.40 | 42,894.87 | 39,230.25 | 365,904.24 |
| Total Cash Available 8/31/89 and Cash Receipts | 223,441.10 | 2,285,755.73 | 4,380.60 | 342,344.59 | 119,146.21 | 470,943.26 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 25,041.59 | 61,879.01 | 1,450.87 | 5,220.49 | 15,195.42 | 45,271.26 |
| Receivership/ Company | 22,514.27 | | | 1,899.59 | 18,225.74 | |
| Contract Labor | 2,830.10 | 1,078.03 | | | 132.42 | |
| Claims: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | 1,886,434.17 | | | | 195,199.52 |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | 16,000.73 | | 266.55 | | 782.52 |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | 1,923.05 | | | | 2,290.27 | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 15,093.93 | 41,769.52 | | 23,023.94 | 10,984.32 | 17,375.95 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | 38,909.74 | | | | 800.00 | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | 2,783.18 | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | 8,125.80 | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | 30.00 | | |
| Moving | 40.67 | 68.20 | | | 219.00 | 97.15 |
| Office & Computer Supplies | 46.43 | 32.65 | 1.53 | 13.26 | 22.45 | 66.33 |
| Office Rent | | | | | | |
| Postage | 225.27 | 798.98 | | 70.95 | 265.10 | 241.35 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | 137.04 | 1,620.00 | |
| Telephone | 226.28 | 706.30 | (3.60) | | 127.09 | 244.42 |
| Travel | 25.21 | | | | 54.76 | |
| Utilities | 2,314.28 | | | | | |
| Allocated Overhead | 2,639.77 | 6,821.80 | 147.67 | 542.29 | 1,716.67 | 5,074.87 |
| Miscellaneous Disbursements | (2,618.36) | 20.36 | 0.95 | 54.07 | 14.00 | 530.47 |
| Total Disbursements | 110,012.23 | 2,015,609.75 | 4,380.60 | 39,383.98 | 51,667.24 | 264,883.84 |
| Net Changes In Restrictions | (75,806.22) | 0.00 | 0.00 | (18,016.63) | (49,959.87) | 0.00 |
| Cash Available 8/31/90 | 37,622.65 | 270,145.98 | (0.00) | 284,943.98 | 17,519.10 | 206,059.42 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 360<br>East Texas Health Plan | 361<br>Holland Amer Lloyds | 362<br>Joseph Landis et al | 363<br>North Texas Title Co | 364<br>Wstrn Heritage Life Ins Co | 365<br>Best Lloyds Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 1.568.729.03 | 640.294.88 | 2.677.82 | 30.748.37 | 86.594.60 | 2.375.327.79 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | (100.000.00) |
| Receivables | | | | | | 230.250.40 |
| Litigation Settlement | | | | | | 14.366.65 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | 300.000.00 |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | 5.790.98 |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | 100.000.00 | | 50.000.00 | 50.000.00 | 2.125.000.00 |
| Other Loans | (20.927.62) | | | | | |
| Premium Income | | | | | | |
| Interest | 105.844.79 | 43.483.10 | 128.81 | 798.06 | 5.200.17 | 148.619.76 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | 2.291.86 | |
| Miscellaneous Receipts | | | | | | 31.00 |
| Total Receipts | 84.917.17 | 143.483.10 | 128.81 | 50.798.06 | 57.492.03 | 2.724.058.79 |
| Total Cash Available 8/31/89 and Cash Receipts | 1.653.646.20 | 783.777.98 | 2.806.63 | 81.546.43 | 144.086.63 | 5.099.386.58 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 4.241.09 | 7.270.04 | 162.81 | 22.530.19 | 5.724.02 | 544.934.82 |
| Receivership/ Company | | | | | | |
| Contract Labor | 106.08 | | | 1.071.00 | | 73.927.18 |
| Claims: | | | | | | |
| Accident & Health | | | | | 16.462.33 | |
| Property & Casualty | | 91.992.64 | | | | 3.028.488.22 |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | 252.00 | | | 2.580.87 | 22.093.44 |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 10.675.05 | 15.583.50 | | 16.009.17 | 4.074.90 | 290.376.89 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | 29.702.74 | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | 2.123.87 | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | 61.38 | 6.63 | 1.53 | 9.69 | 4.59 | 417.93 |
| Office Rent | | | | | | |
| Postage | 32.90 | 66.18 | 51.85 | 117.59 | 30.25 | 22.598.60 |
| Reproduction | | | | | | 490.49 |
| Security Service Expense | | | | | | |
| Storage | 99.00 | | | | | |
| Telephone | 60.91 | 88.99 | 7.45 | 84.02 | 72.52 | 6.950.23 |
| Travel | | | | | | 996.08 |
| Utilities | | | | | | |
| Allocated Overhead | 452.50 | 741.41 | 17.78 | 2.350.50 | 657.59 | 59.453.63 |
| Miscellaneous Disbursements | 550.51 | 564.07 | 0.95 | 6.831.77 | 2.86 | 321.60 |
| Total Disbursements | 18.403.29 | 116.565.46 | 242.37 | 78.706.67 | 29.609.93 | 4.051.049.11 |
| Net Changes In Restrictions | 0.00 | 0.00 | | (587.60) | 0.00 | (103.54) |
| Cash Available 8/31/90 | 1.635.242.91 | 667.212.52 | 2.564.26 | 2.252.16 | 114.476.70 | 1.048.233.93 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #: | 366 | 367 | 368 | 369 | 370 | 371 |
|---|---|---|---|---|---|---|
| Rec Name: | Bluff Farmers Mutual Ins Co | Fran T Gordon et al | Lloyds Texas | Consol Savings Life Ins Co | TMIC Ins Co | Ntl County Mut Fire Ins Co |
| Cash Available 8/31/89 | 193,637.49 | 5,273.25 | 588,673.11 | 232,643.10 | 80,857.75 | 1,036,114.15 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | |
| Receivables | | | | | | 2,264,549.30 |
| Litigation Settlement | | | 687,745.46 | 3,750.00 | | 290,359.00 |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | 13,823.50 | | | | | 84,561.78 |
| Real Estate | | | | | | |
| Other Assets | | | | | | 7,862.50 |
| Guaranty Fund Loans | | | 810,000.00 | 20,000.00 | | 12,245,205.10 |
| Other Loans | | | | | (87.00) | |
| Premium Income | | | | | | |
| Interest | 9,084.33 | 149.93 | 48,403.89 | 12,912.85 | 6,029.34 | 187,195.28 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | 573.16 | | 1,667.92 |
| Miscellaneous Receipts | | | | | | 4,189.67 |
| Total Receipts | 22,907.83 | 149.93 | 1,546,149.35 | 37,236.01 | 5,942.34 | 15,085,590.55 |
| Total Cash Available 8/31/89 and Cash Receipts | 216,545.32 | 5,423.18 | 2,134,822.46 | 269,879.11 | 86,800.09 | 16,121,704.70 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 26,734.97 | 1,077.89 | 69,565.30 | 11,165.46 | 2,660.11 | 392,820.15 |
| Receivership/ Company | | | 2,021.74 | 397.55 | | 259,271.68 |
| Contract Labor | 3,084.65 | | 989.06 | | | 210,314.96 |
| Claims: | | | | | | |
| Accident & Health | | | | 105,119.58 | | |
| Property & Casualty | | | 942,567.26 | | | 10,592,975.25 |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 2,555.20 | | 24,256.45 | 25.00 | 324.32 | 1,827,371.55 |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | | 372,949.07 |
| Actuarial | | | | | | |
| Consulting | | | | | | 200.00 |
| Legal | 22,007.50 | | 83,877.36 | 2,725.34 | | 1,349,387.36 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | 4,197.67 | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | 82.64 |
| Building Maintenance | | | | | | 2,228.99 |
| Computer Related Expenses | | | | | | 80,417.38 |
| Equipment Rental | | | | | | 19,786.48 |
| Insurance | | | | | | 15,986.17 |
| Moving | | | | | | 4,915.81 |
| Office & Computer Supplies | 14.28 | 0.51 | 75.52 | 46.43 | 2.04 | 9,120.20 |
| Office Rent | | | | | | 233,772.00 |
| Postage | 70.20 | 26.35 | 2,007.01 | 95.75 | 26.00 | 26,188.37 |
| Reproduction | | | | | | 9,202.32 |
| Security Service Expense | | | | | | |
| Storage | | | | | | 15,853.24 |
| Telephone | 241.02 | 0.54 | 770.65 | 241.06 | 15.40 | 40,249.83 |
| Travel | | | 1,079.53 | | | 75,205.19 |
| Utilities | | | | | | 4,826.60 |
| Allocated Overhead | 2,884.17 | 119.91 | 7,492.65 | 1,233.40 | 277.46 | 39,730.63 |
| Miscellaneous Disbursements | 8.91 | 0.31 | 21.22 | 1,079.20 | 21.27 | 46,943.11 |
| Total Disbursements | 57,600.90 | 5,423.18 | 1,134,723.75 | 122,128.77 | 3,326.60 | 15,629,798.98 |
| Net Changes In Restrictions | 0.00 | 0.00 | (20,286.63) | 80,218.90 | 0.00 | (0.05) |
| Cash Available 8/31/90 | 158,944.42 | 0.00 | 979,812.08 | 227,969.24 | 83,473.49 | 491,904.87 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 372<br>Capital Title Co | 373<br>Texas Indep School Systems | 374<br>First Columbia Life Ins Co | 375<br>First Service Life Ins Co | 376<br>Credit Guard Life Ins Co | 377<br>Texas Bus & Prof Assoc |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 14.62 | 214,813.08 | 411,881.96 | 388,951.93 | 220,722.69 | 13,690.31 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | 138.33 | | |
| Receivables | | 40.15 | 25,000.00 | 303,266.58 | 140.10 | |
| Litigation Settlement | | | | | | |
| Securities | | | | 1,916,752.22 | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | 5,793.20 | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | 7,700.00 | | 3,593,000.00 | | | |
| Other Loans | | | | 100,000.00 | | |
| Premium Income | | | 1,302.16 | | 957.78 | |
| Interest | 153.61 | 8,865.09 | 13,637.91 | 187,964.56 | 10,331.02 | 631.12 |
| Rent Income | | | | | | |
| Recovered Expenses | | | 2,922.72 | | | |
| Miscellaneous Receipts | | (547.11) | | 16,294.15 | 879.75 | |
| Total Receipts | 7,853.61 | 8,358.13 | 3,635,862.79 | 2,530,199.04 | 12,308.65 | 631.12 |
| Total Cash Available 8/31/89 and Cash Receipts | 7,868.23 | 223,171.21 | 4,047,744.75 | 2,919,150.97 | 233,031.34 | 14,321.43 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 4,865.30 | 2,276.70 | 101,241.70 | 37,629.35 | 17,287.02 | 2,830.87 |
| Receivership/ Company | | | | | | |
| Contract Labor | 117.25 | 4.93 | 425.28 | 1,561.02 | 343.95 | |
| Claims: | | | | | | |
| Accident & Health | | | 3,440,110.00 | | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | 13,686.80 | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | 192,034.47 | | |
| Actuarial | | | | | 14,866.40 | |
| Consulting | | | | | | |
| Legal | | 17,137.47 | 20,243.31 | 654,237.24 | 2,349.36 | |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | 1,846.93 | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | 4,747.20 | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | 2,717.31 | | | |
| Insurance | | | | | | |
| Moving | | | 125.46 | | | |
| Office & Computer Supplies | 0.51 | 8.16 | 110.22 | 19.39 | 14.79 | 18.88 |
| Office Rent | | | | | | |
| Postage | 735.70 | 221.39 | 2,288.51 | 239.31 | 25.80 | |
| Reproduction | | | | 4,204.15 | | |
| Security Service Expense | | | | 137.03 | | |
| Storage | | | | | | |
| Telephone | 54.62 | 213.35 | 589.17 | 570.61 | 424.27 | 76.81 |
| Travel | | | 321.67 | 1,641.78 | 927.25 | |
| Utilities | | | | 81.55 | 895.58 | |
| Allocated Overhead | 247.61 | 263.93 | 11,257.48 | 4,152.47 | 1,686.59 | 345.43 |
| Miscellaneous Disbursements | 0.31 | 1,709.27 | 68.74 | 242,026.56 | 49,688.68 | 11.77 |
| Total Disbursements | 7,868.23 | 21,835.20 | 3,593,185.65 | 1,143,282.13 | 88,509.69 | 3,283.76 |
| Net Changes In Restrictions | 0.00 | (40.15) | (832.80) | (1,157,677.00) | 0.00 | 0.00 |
| Cash Available 8/31/90 | 0.00 | 201,295.86 | 453,726.30 | 618,191.84 | 144,521.65 | 11,037.67 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 379<br>First Trancont Life Ins Co | 380<br>Gibson Natl Life Ins Co | 382<br>Texas National Ins Co | 383<br>Universal Indemnity Co | 384<br>First Houston Title Inc | 385<br>Gulf Coast Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 106,909.64 | 1,477,208.74 | 419,875.62 | 6,889.44 | 171,878.34 | 2,182.95 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | 9,666.98 | 107,740.14 | | | |
| Receivables | 120,000.00 | 16,150.63 | | | | |
| Litigation Settlement | | 65,000.00 | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | 52,919.52 | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | 90,000.00 | 3,520,754.00 | 171,000.00 | | 5,000.00 | 2,000.00 |
| Other Loans | | | | | (9,200.00) | |
| Premium Income | | (61.26) | | | | |
| Interest | 7,840.47 | 99,879.84 | 30,724.11 | 174.43 | 11,482.55 | 30.95 |
| Rent Income | | 2,058.00 | | | | |
| Recovered Expenses | | 670.76 | | | | |
| Miscellaneous Receipts | | 250.78 | | | | |
| Total Receipts | 217,840.47 | 3,714,369.73 | 362,383.77 | 174.43 | 7,282.55 | 2,030.95 |
| Total Cash Available 8/31/89 and Cash Receipts | 324,750.11 | 5,191,578.47 | 782,259.39 | 7,063.87 | 179,160.89 | 4,213.90 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 14,698.81 | 193,110.24 | 28,538.64 | 3,204.12 | 11,169.63 | 3,410.12 |
| Receivership/ Company | | 277.72 | 59.04 | | 63,638.97 | |
| Contract Labor | 4.42 | 1,011.50 | 565.35 | | 597.40 | |
| Claims: | | | | | | |
| Accident & Health | 64,274.91 | 2,957,455.22 | | | | |
| Property & Casualty | | | 96,609.06 | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | 26,460.98 | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 20,383.47 | 8,083.47 | 678.01 | | | 61.88 |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | 13,460.00 | 761.97 | | | |
| Actuarial | | | | | | |
| Consulting | | 50.00 | | | | |
| Legal | 9,324.67 | 81,793.32 | 6,318.50 | 1,181.90 | | |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | 2,201.27 | | |
| N/P - Mortgage | | 564.48 | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | 11,341.64 | | | | |
| Building Maintenance | | 1,988.12 | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | 2,717.31 | | | | |
| Insurance | | 10,434.67 | | | | |
| Moving | | 132.82 | | | | |
| Office & Computer Supplies | 18.37 | 222.99 | 20.92 | 8.67 | 2.04 | 1.02 |
| Office Rent | | | | | | |
| Postage | 178.45 | 4,814.42 | 469.60 | 38.34 | 360.30 | 53.10 |
| Reproduction | | | 1.46 | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 97.24 | 1,184.19 | 590.57 | 110.64 | 23.95 | 121.93 |
| Travel | | 218.86 | | | | |
| Utilities | | | | | | |
| Allocated Overhead | 1,548.86 | 21,052.78 | 3,094.75 | 313.52 | 1,429.56 | 348.85 |
| Miscellaneous Disbursements | 11,004.86 | 70,350.48 | 13.04 | 5.41 | 217.67 | 74.63 |
| Total Disbursements | 121,534.06 | 3,405,905.13 | 137,720.91 | 7,063.87 | 77,439.52 | 4,071.53 |
| Net Changes In Restrictions | (164.00) | (767.40) | 0.00 | 0.00 | (42,464.81) | 0.00 |
| Cash Available 8/31/90 | 203,052.05 | 1,784,905.94 | 644,538.48 | 0.00 | 59,256.56 | 142.37 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 386<br>Stone Mountain Ins Co | 387<br>Empire Casualty Co | 388<br>Lumbermens Life Ins Co | 389<br>Diamond Benefits Life | 390<br>Southern Gen Life Ins Co | 391<br>Amer Teachers Life Ins Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 2.977.61 | 3.089.26 | 129.418.97 | 6.131.67 | 182.506.87 | 2.447.731.73 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | | | | | 100.303.01 |
| Receivables | | | | | | 110.937.12 |
| Litigation Settlement | | | | | 219.638.43 | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | 100.000.00 |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | 543.500.00 | 543.000.00 | 170.000.00 | | 485.000.00 | 2.399.841.00 |
| Other Loans | | | | | | |
| Premium Income | | | 36.96 | | 3.951.10 | 157.697.68 |
| Interest | 6.031.76 | 8.053.85 | 6.200.38 | 182.35 | 32.275.39 | 233.745.30 |
| Rent Income | | | | | | |
| Recovered Expenses | | | 30.34 | | 6.00 | 722.24 |
| Miscellaneous Receipts | | | | | | 11.166.12 |
| Total Receipts | 549.531.76 | 551.053.85 | 176.267.68 | 182.35 | 740.870.92 | 3.114.412.47 |
| Total Cash Available 8/31/89 and Cash Receipts | 552.509.37 | 554.143.11 | 305.686.65 | 6.314.02 | 923.377.79 | 5.562.144.20 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 50.947.92 | 28.418.91 | 10.151.33 | 890.28 | 30.880.67 | 137.677.67 |
| Receivership/ Company | | | | | | 99.183.70 |
| Contract Labor | 40.52 | | | | 217.85 | 278.04 |
| Claims: | | | | | | |
| Accident & Health | | | 229.067.11 | | 344.344.36 | 1.073.434.27 |
| Property & Casualty | 203.463.45 | 286.724.42 | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | 1.303.469.00 |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 82.62 | 75.00 | | | | 44.659.18 |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | | 4.057.00 |
| Actuarial | | | | | | 12.906.90 |
| Consulting | | | | | | 1.146.00 |
| Legal | 27.309.07 | 8.293.53 | | | 16.120.78 | 112.196.19 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | 5.252.52 | | |
| N/P - Mortgage | | | | | | 86.666.71 |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | 29.515.31 |
| Building Maintenance | | | | | 58.15 | 8.413.46 |
| Computer Related Expenses | | | | | | 17.864.00 |
| Equipment Rental | | | | | | 10.049.56 |
| Insurance | | | | | | 19.596.87 |
| Moving | | | | | | 719.98 |
| Office & Computer Supplies | 21.94 | 10.20 | 20.41 | 6.63 | 42.35 | 3.204.73 |
| Office Rent | | | | | 1.814.31 | |
| Postage | 656.85 | 191.75 | 138.20 | | 1.430.80 | 4.777.74 |
| Reproduction | | | | | | 7.498.86 |
| Security Service Expense | | | | | | 4.773.55 |
| Storage | | | | | | |
| Telephone | 343.59 | 93.44 | 146.76 | 58.20 | 529.63 | 17.257.82 |
| Travel | 109.96 | | | | | 19.051.70 |
| Utilities | | | | | 394.72 | 8.770.96 |
| Allocated Overhead | 5.388.30 | 2.924.00 | 1.092.49 | 102.26 | 3.499.08 | 15.195.40 |
| Miscellaneous Disbursements | 13.68 | 263.96 | 12.72 | 4.13 | 888.78 | 11.687.93 |
| Total Disbursements | 288.377.90 | 326.995.21 | 240.629.02 | 6.314.02 | 400.221.48 | 3.054.052.51 |
| Net Changes In Restrictions | 0.00 | 0.00 | 0.00 | 0.00 | (218.375.02) | (16.393.66) |
| Cash Available 8/31/90 | 264.131.47 | 227.147.90 | 65.057.63 | 0.00 | 304.781.29 | 2.491.698.03 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 392 Knickerbocker Life Ins Co | 393 U.S. Annuity Life Ins Co | 394 Amer Mutual Liability Ins | 395 GIC Ins Co | 396 Americana Life Ins Co | 397 North American Lloyds of Texas |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 4.097.657.24 | 572.481.14 | 298.276.68 | 2.136.152.04 | 32.468.00 | 1.076.671.10 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | 59.404.75 | 753.686.15 | | 59.098.15 | | 94.916.49 |
| Receivables | 1.855.595.34 | | | 67.02 | 12.408.00 | 152.036.58 |
| Litigation Settlement | | | | 4.616.88 | | 1.050.07 |
| Securities | 6.625.683.60 | | | | | |
| Statutory Deposits | 1.130.534.39 | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | 36.049.29 | | | 934.83 | 410.00 | 22.294.03 |
| Real Estate | | | | | | |
| Other Assets | 4.983.06 | | | | | |
| Guaranty Fund Loans | 22.954.335.62 | 65.000.00 | 988.000.00 | 16.892.255.00 | 50.000.00 | 3.511.000.00 |
| Other Loans | | | | | (1.667.16) | |
| Premium Income | 177.279.88 | | | 78.477.58 | | 51.99 |
| Interest | 1.086.750.28 | 107.677.51 | 14.307.01 | 188.418.24 | 3.886.65 | 68.119.78 |
| Rent Income | | | | | | 27.360.00 |
| Recovered Expenses | 50.123.39 | 83.24 | | 42.106.96 | | |
| Miscellaneous Receipts | 2.563.77 | 322.60 | | 44.745.84 | | |
| Total Receipts | 33.983.303.37 | 926.769.50 | 1.002.307.01 | 17.310.720.50 | 65.037.49 | 3.876.826.94 |
| Total Cash Available 8/31/89 and Cash Receipts | 38.080.960.61 | 1.499.250.64 | 1.300.583.69 | 19.446.872.54 | 97.505.49 | 4.953.498.04 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 238.569.32 | 27.739.64 | 68.855.38 | 236.875.23 | 30.542.45 | 268.984.98 |
| Receivership/ Company | 63.830.55 | 50.50 | | 378.481.29 | | |
| Contract Labor | 34.300.60 | 442.77 | 268.48 | 74.780.34 | 260.00 | 17.751.32 |
| Claims: | | | | | | |
| Accident & Health | 496.450.78 | 31.523.85 | | 16.753.104.18 | | |
| Property & Casualty | | | 743.587.21 | | | 3.118.957.09 |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | 22.084.335.62 | | | 223.008.00 | | |
| Property & Casualty | | | 328.295.70 | | | 1.553.01 |
| Claims Administration Expense | | | 6.340.58 | 177.957.41 | | 149.911.96 |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | 68.851.79 | 9.458.00 | | 9.990.91 | 1.285.86 | 38.727.52 |
| Actuarial | 54.470.25 | 5.072.63 | | 37.535.59 | | |
| Consulting | 96.40 | | | | | |
| Legal | 541.833.58 | 44.825.84 | 22.522.22 | 83.138.48 | 31.089.34 | 16.955.26 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | 21.96 | 843.21 | | 50.409.37 | | |
| Computer Related Expenses | 19.636.06 | | | 17.003.10 | | |
| Equipment Rental | 1.490.64 | 229.66 | | 49.603.12 | | |
| Insurance | 297.00 | 270.00 | | 9.966.98 | | |
| Moving | 3.455.66 | | 246.88 | 999.64 | 172.00 | |
| Office & Computer Supplies | 2.730.38 | 67.86 | 87.77 | 18.710.24 | 40.31 | 8.198.91 |
| Office Rent | 23.032.50 | | | | | |
| Postage | 5.104.16 | 343.04 | 1.979.49 | 39.489.23 | 189.40 | 4.154.54 |
| Reproduction | 406.50 | 93.00 | | 2.422.60 | | 4.50 |
| Security Service Expense | 11.479.64 | | | 33.052.50 | | |
| Storage | 600.00 | | | 800.00 | | 221.40 |
| Telephone | 9.780.68 | 1.308.64 | 660.55 | 40.816.00 | 1.240.77 | 4.885.84 |
| Travel | 26.417.12 | 1.269.54 | 105.16 | 25.820.38 | 1.161.64 | 2.213.80 |
| Utilities | | 228.69 | | 36.494.10 | | |
| Allocated Overhead | 25.595.88 | 2.989.93 | 7.365.43 | 23.801.13 | 3.077.55 | 27.536.18 |
| Miscellaneous Disbursements | 227.699.48 | 7.741.23 | 914.50 | 132.485.25 | 6.169.70 | 3.900.75 |
| Total Disbursements | 23.940.486.55 | 134.498.03 | 1.181.229.35 | 18.456.742.07 | 75.229.02 | 3.663.957.01 |
| Net Changes In Restrictions | 0.00 | (97.821.01) | 0.00 | 0.00 | 40.000.00 | 0.00 |
| Cash Available 8/31/90 | 14.140.474.06 | 1.266.931.60 | 119.354.34 | 990.130.47 | 62.276.47 | 1.289.541.03 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 398<br>American Underwriters | 399<br>Confidence Life Ins Co | 400<br>America West Health Benefit | 401<br>Christian Brotherhood | 402<br>Maxey Ins Agency, et al | 403<br>Texas National Title Co |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 24,194.73 | 11,221.15 | 158,127.68 | 30,805.60 | 449.78 | 80,604.32 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | 51.69 | | 114.80 | 42.67 | |
| Receivables | | | | 378.57 | 53.65 | |
| Litigation Settlement | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | 27,214.47 | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | 64,000.00 | 27,658.49 | | 25,000.00 | 30,000.00 | 20,000.00 |
| Other Loans | | | | (239.19) | | |
| Premium Income | | | | 17.16 | | |
| Interest | 1,016.22 | 511.57 | 8,651.09 | 1,044.16 | 460.24 | 2,726.51 |
| Rent Income | | | | | | |
| Recovered Expenses | 807.63 | | | 36.45 | 33.20 | 6,859.92 |
| Miscellaneous Receipts | 44.47 | | | | | 10,516.80 |
| Total Receipts | 65,868.32 | 28,221.75 | 8,651.09 | 53,566.42 | 30,589.76 | 40,103.23 |
| Total Cash Available 8/31/89 and Cash Receipts | 90,063.05 | 39,442.90 | 166,778.77 | 84,372.02 | 31,039.54 | 120,707.55 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 10,459.41 | 12,545.67 | 8,873.20 | 31,905.51 | 12,891.97 | 16,276.34 |
| Receivership/ Company | 48.88 | | | | | |
| Contract Labor | | | | 3,611.95 | 16.00 | 280.50 |
| Claims: | | | | | | |
| Accident & Health | 4,000.00 | 14,380.19 | | | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | 16,685.90 | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 83.76 | | | 151.13 | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | 13,253.00 | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | 5,330.03 | 4,870.64 | 24,662.03 | 12,652.84 | 2,662.67 | 1,191.04 |
| Judgments | | | | 9,207.88 | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | 12,215.52 |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | 241,344.01 | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | 333.68 | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | 22.30 | | | 258.00 | | |
| Office & Computer Supplies | 28.06 | 33.16 | 12.24 | 104.61 | 45.41 | 82.15 |
| Office Rent | | | | | | |
| Postage | 111.90 | 25.00 | 108.25 | 3,490.15 | 59.35 | 231.60 |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | 160.94 | 115.81 | 186.87 | 1,624.14 | 422.36 | 249.93 |
| Travel | | | | 1,160.68 | | 363.77 |
| Utilities | | | | 1,435.24 | | |
| Allocated Overhead | 1,201.86 | 1,128.83 | 857.08 | 3,992.32 | 1,451.08 | 1,762.43 |
| Miscellaneous Disbursements | 17.50 | 280.18 | 7.63 | 788.52 | 28.32 | 571.43 |
| Total Disbursements | 38,150.54 | 33,379.48 | 276,051.31 | 83,769.65 | 17,577.16 | 33,224.71 |
| Net Changes In Restrictions | 0.00 | 0.00 | 109,272.54 | 0.00 | 0.00 | (82,440.46) |
| Cash Available 8/31/90 | 51,912.51 | 6,063.42 | 0.00 | 602.37 | 13,462.38 | 5,042.38 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #: | 404 | 405 | 406 | 407 | 408 | 409 |
|---|---|---|---|---|---|---|
| Rec Name: | First Sthwst Lloyds | General Indemn Ins Co | Consolidated Benefit Health | Texas Investors Life Ins Co | Financial Svices-Houston | Galaxie Life Ins Co |
| Cash Available 8/31/89 | 169,534.89 | 41,084.41 | 48,891.69 | 1,563,288.07 | 1,636.82 | 0.00 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | 300,624.66 | 501,236.49 | | 62,026.70 | 75,468.88 | 1,506,922.46 |
| Receivables | 42,664.46 | 37,442.95 | | 12,500.00 | 1,180.61 | 277.91 |
| Litigation Settlement | 53.20 | 7,433.64 | 1,022.91 | 4,080.37 | | 2,203.12 |
| Securities | | | | | | |
| Statutory Deposits | | 51,995.95 | | | | 100,000.00 |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | 18,573.53 | 3,870.00 | | 3,021.25 | 645.00 | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | 3,751,000.00 | 1,676,000.00 | 275,000.00 | 1,719,351.46 | 110,000.00 | 1,515,000.00 |
| Other Loans | (166.97) | (574.62) | (1,666.99) | (4,402.88) | (895.09) | |
| Premium Income | 5,925.30 | 5,549.75 | | 52,559.15 | (699.35) | 89,921.66 |
| Interest | 40,280.36 | 36,718.04 | 3,353.00 | 90,289.87 | 2,107.71 | 68,446.70 |
| Rent Income | | | | | | |
| Recovered Expenses | | | | 29,423.81 | 192.70 | 5,587.11 |
| Miscellaneous Receipts | | 163.40 | | 1.00 | 27.50 | |
| Total Receipts | 4,158,954.54 | 2,319,835.60 | 277,708.92 | 1,968,850.73 | 188,027.96 | 3,288,358.94 |
| Total Cash Available 8/31/89 and Cash Receipts | 4,328,489.43 | 2,360,920.01 | 326,600.61 | 3,532,138.80 | 189,664.78 | 3,288,358.94 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 164,439.58 | 152,762.33 | 38,656.17 | 145,803.91 | 69,571.60 | 122,121.97 |
| Receivership/ Company | | 12.00 | | 200.83 | | 2,682.44 |
| Contract Labor | 23,797.74 | 1,891.10 | 3,005.99 | 3,612.73 | 9.84 | 7,534.02 |
| Claims: | | | | | | |
| Accident & Health | | | 91,968.18 | 1,547,448.43 | | 1,147,764.33 |
| Property & Casualty | 3,245,965.40 | 1,176,943.67 | 32.10 | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 270,695.49 | 41,164.98 | | 36,425.05 | | 40,662.95 |
| Professional Services: | | | | | | |
| Auditing | | | | 9,049.15 | | |
| Accounting | 5,143.38 | 14,955.47 | | 30,771.27 | | |
| Actuarial | | | | 11,798.47 | | |
| Consulting | | | | | 500.00 | |
| Legal | 29,690.48 | 62,349.59 | 39,425.54 | 61,956.11 | 11,353.95 | 68,521.38 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | 15,939.58 | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | 77.40 | | 392.50 | |
| Computer Related Expenses | 2,400.85 | 236.45 | | 15,571.07 | 600.00 | 6,364.40 |
| Equipment Rental | | 263.46 | 550.00 | 102.90 | | |
| Insurance | | | | | | |
| Moving | 218.97 | 647.00 | 834.33 | 785.04 | 2,138.21 | 1,052.46 |
| Office & Computer Supplies | 513.04 | 4,752.34 | 430.82 | 505.27 | 61.38 | 50.00 |
| Office Rent | 8.99 | | 298.35 | 949.52 | | |
| Postage | 3,046.29 | 8,834.21 | 1,127.27 | 13,748.78 | 370.50 | 8,115.44 |
| Reproduction | 6,708.50 | 4,293.00 | 357.29 | 9,190.11 | | 5,865.70 |
| Security Service Expense | | | 1,540.00 | 2,144.00 | 2,788.75 | |
| Storage | | 786.25 | | 58.20 | | |
| Telephone | 978.00 | 1,830.96 | 737.01 | 1,955.27 | 1,154.48 | 2,331.98 |
| Travel | 807.58 | 4,664.04 | 1,698.74 | 3,668.59 | 6,619.58 | 17,914.96 |
| Utilities | | | | | | |
| Allocated Overhead | 17,343.37 | 16,623.11 | 3,978.49 | 15,737.04 | 7,827.14 | 12,825.53 |
| Miscellaneous Disbursements | 2,207.16 | 994.40 | 744.79 | 843.84 | 3,852.09 | 1,818.85 |
| Total Disbursements | 3,773,964.82 | 1,509,943.94 | 185,462.47 | 1,912,325.58 | 107,240.02 | 1,445,606.41 |
| Net Changes In Restrictions | (26,425.05) | 0.00 | 0.00 | 0.00 | 0.00 | (525,586.57) |
| Cash Available 8/31/90 | 528,099.56 | 850,976.07 | 141,138.14 | 1,619,813.22 | 82,424.76 | 1,317,165.96 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 410<br>United Trvlers Ins Co | 411<br>Pacific Marine Ins Co | 412<br>Risk Managers International | 413<br>Texas Ins Co. et al | 414<br>F[illegible]ton Nat Ins Co | 415<br>Amalgamated Labor Life |
|---|---|---|---|---|---|---|
| Cash Available 8/31/89 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | 13,122.52 | | | 820,053.86 | | |
| Receivables | | | | 10,925.04 | | |
| Litigation Settlement | | | | 61,178.14 | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | 171,968.25 | | |
| Real Estate | | | | 75,325.89 | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | 308,000.00 | | 4,086,000.00 | 186,000.00 | 111,000.00 |
| Other Loans | 586.66 | | 9,551.65 | | | |
| Premium Income | | | | 633,229.52 | | 27,247.80 |
| Interest | 133.36 | 6,614.59 | | 77,573.32 | 1,333.12 | 1,309.46 |
| Rent Income | | | | 14,811.84 | | |
| Recovered Expenses | | | | 8,358.59 | | |
| Miscellaneous Receipts | | | | 17,649.97 | | |
| Total Receipts | 13,842.54 | 314,614.59 | 9,551.65 | 5,977,874.42 | 187,333.12 | 139,557.26 |
| Total Cash Available 8/31/89 and Cash Receipts | 13,842.54 | 314,614.59 | 9,551.65 | 5,977,874.42 | 187,333.12 | 139,557.26 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 10,233.41 | 31,024.05 | 5,119.38 | 243,850.59 | 14,853.99 | 19,431.02 |
| Receivership/ Company | | | | 102,029.27 | | |
| Contract Labor | 84.00 | | | 39,848.74 | 1,579.33 | |
| Claims: | | | | | | |
| Accident & Health | | | | | | 47,128.69 |
| Property & Casualty | | 78,363.87 | | 3,204,656.90 | 56,150.00 | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | 3,437.08 | | 209,441.25 | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | 61,530.70 | | |
| Actuarial | | | | | | |
| Consulting | | | | 1,841.51 | | |
| Legal | 375.00 | | | 65,634.69 | | |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | 23,167.80 | | |
| Federal Income Taxes | | | | 7,859.38 | | |
| Interest | | | | | | |
| Building Maintenance | | | 191.25 | 6,607.55 | | |
| Computer Related Expenses | | | | 5,514.02 | | |
| Equipment Rental | | | | 1,937.60 | | |
| Insurance | | | | 5,637.45 | | |
| Moving | | 122.81 | | 9,210.68 | | |
| Office & Computer Supplies | | | | 7,173.49 | | |
| Office Rent | | | | 32,295.19 | | |
| Postage | 193.90 | 439.60 | | 22,555.61 | 111.60 | 898.15 |
| Reproduction | | | | 15,168.03 | | |
| Security Service Expense | | | 760.00 | 1,888.13 | | |
| Storage | | | | 13,115.79 | | |
| Telephone | 60.48 | 133.18 | | 4,150.59 | 165.37 | 134.88 |
| Travel | 1,004.76 | 274.39 | 2,033.90 | 29,426.24 | | |
| Utilities | | | | 25,770.93 | | |
| Allocated Overhead | 1,459.25 | 3,332.63 | 907.12 | 25,841.59 | 1,361.57 | 2,115.50 |
| Miscellaneous Disbursements | 347.50 | 504.84 | 540.00 | 25,180.80 | 969.30 | 491.64 |
| Total Disbursements | 13,758.30 | 117,632.45 | 9,551.65 | 4,191,334.52 | 75,191.16 | 70,199.88 |
| Net Changes In Restrictions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 84.24 | 196,982.14 | (0.00) | 1,786,539.90 | 112,141.96 | 69,357.38 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #: | 416 | 417 | 418 | 419 | 420 | 421 |
|---|---|---|---|---|---|---|
| Rec Name: | Regent Life Ins Co | Title USA Ins Corp | Cal Pacific Life Ins Co | United Savings Life Ins Co | S Natl Life & Americas Intl | Great Atlantic Ins Co |
| Cash Available 8/31/89 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | 137.740.59 | 2.159.964.86 | | | 2.989.516.44 | |
| Receivables | 12.956.71 | 48.784.32 | | | 1.766.51 | |
| Litigation Settlement | | 66.995.32 | | | 8.691.96 | |
| Securities | | 2.460.000.00 | | | 2.585.98 | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | 308.769.16 | | | 18.494.73 | |
| Real Estate | | 362.621.69 | | | | |
| Other Assets | | 1.839.676.03 | | | | |
| Guaranty Fund Loans | 300.000.00 | 1.469.000.00 | 88.000.00 | 10.000.00 | 4.685.000.00 | 36.000.00 |
| Other Loans | | | | 267.76 | | |
| Premium Income | | 829.893.89 | | | 938.932.65 | |
| Interest | 5.169.35 | 216.934.58 | 1.342.26 | 54.22 | 101.697.92 | 88.66 |
| Rent Income | | 59.510.01 | | | | |
| Recovered Expenses | | 12.780.34 | | | 12.411.10 | |
| Miscellaneous Receipts | | 1.024.681.10 | | | 4.785.41 | |
| Total Receipts | 455.866.65 | 10.859.611.30 | 89.342.26 | 10.321.98 | 8.763.882.70 | 36.088.66 |
| Total Cash Available 8/31/89 and Cash Receipts | 455.866.65 | 10.859.611.30 | 89.342.26 | 10.321.98 | 8.763.882.70 | 36.088.66 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 22.973.96 | 542.884.78 | 13.588.21 | 4.989.14 | 135.771.77 | 26.862.92 |
| Receivership/ Company | | 247.374.04 | | | 67.591.38 | |
| Contract Labor | 407.00 | 298.882.92 | 16.35 | 6.92 | 20.961.12 | |
| Claims: | | | | | | |
| Accident & Health | 9.585.55 | | 29.979.46 | | 4.046.845.97 | |
| Property & Casualty | | | | | | |
| Title | | 1.289.434.97 | | | | |
| Assumptions: | | | | | | |
| Accident & Health | 240.000.00 | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | 663.30 | | | 165.212.57 | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | 184.131.14 | | | 35.222.56 | |
| Actuarial | | | | | 6.075.82 | |
| Consulting | 1.312.50 | 36.301.74 | | | 1.369.03 | |
| Legal | | 710.260.88 | | | 104.847.18 | |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | 115.424.59 | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | 3.241.67 | | |
| N/P - Mortgage | | 4.482.70 | | | | |
| Federal Income Taxes | 28.44 | | | | 501.17 | |
| Interest | | | | | | |
| Building Maintenance | 78.25 | 13.011.25 | | | 304.00 | |
| Computer Related Expenses | | 14.514.53 | | | 3.766.47 | |
| Equipment Rental | | 54.199.88 | | | | |
| Insurance | | 121.175.78 | | | | |
| Moving | | 18.695.17 | | | 676.53 | |
| Office & Computer Supplies | 72.38 | 33.290.32 | | | 1.200.61 | |
| Office Rent | | 349.237.18 | | | 36.328.80 | |
| Postage | 60.20 | 18.118.28 | 546.25 | 0.70 | 15.251.98 | 327.65 |
| Reproduction | | 440.72 | 63.46 | | 4.603.98 | |
| Security Service Expense | | 63.278.26 | | | 18.263.75 | |
| Storage | | 10.255.89 | | | 522.00 | |
| Telephone | 202.29 | 84.617.55 | 49.66 | 8.87 | 10.081.75 | 67.71 |
| Travel | 2.397.31 | 103.835.32 | | 1.600.82 | 19.888.98 | |
| Utilities | | 69.408.09 | | | 4.343.50 | |
| Allocated Overhead | 2.874.75 | 57.169.67 | 1.498.21 | 475.86 | 13.980.37 | 2.683.16 |
| Miscellaneous Disbursements | 100.00 | 212.570.86 | 635.14 | | 44.276.20 | |
| Total Disbursements | 280.092.63 | 4.653.659.81 | 46.376.74 | 10.321.98 | 4.749.887.49 | 29.941.44 |
| Net Changes In Restrictions | 0.00 | (1.048.631.66) | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 175.774.02 | 5.157.319.83 | 42.965.52 | (0.00) | 4.013.995.21 | 6.147.22 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #: | 422 | 423 | 424 | 425 | 426 | 427 |
|---|---|---|---|---|---|---|
| Rec Name: | Texas Consumer Life Ins Co | American Equit Life & Fin Corp | Security SW Life Ins Co | American Sun Life Ins Co | Allied Bankers Life Ins Co | Cadillac Ins Co |
| Cash Available 8/31/89 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | 433,225.58 | 2,671,853.10 | 150,778.56 | | 1,875,092.70 | |
| Receivables | 48,154.25 | 8,174.47 | 4,651.06 | | 198,511.82 | |
| Litigation Settlement | 10,000.00 | | | | 16,773.14 | |
| Securities | | | | | 32,655.77 | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | 14,737.03 | | | 5,540.16 | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | 548,348.00 | 230,000.00 | | 207,600.00 | 1,995,000.00 | 36,000.00 |
| Other Loans | | 400.61 | | | | |
| Premium Income | 1,036,132.94 | 832,575.32 | 986.21 | 534.84 | 1,053,565.11 | |
| Interest | 58,832.46 | 121,673.43 | 53,894.88 | 84.44 | 113,247.84 | 79.85 |
| Rent Income | 425.00 | | | | | |
| Recovered Expenses | 339.47 | 35,678.52 | 264.07 | | 35,772.29 | |
| Miscellaneous Receipts | 1,418.37 | 807.85 | | | 58.30 | |
| Total Receipts | 2,136,876.07 | 3,915,900.33 | 210,574.78 | 208,219.28 | 5,326,217.13 | 36,079.85 |
| Total Cash Available 8/31/89 and Cash Receipts | 2,136,876.07 | 3,915,900.33 | 210,574.78 | 208,219.28 | 5,326,217.13 | 36,079.85 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 105,510.59 | 222,737.97 | 12,959.53 | 14,908.69 | 128,541.84 | 16,879.72 |
| Receivership/ Company | 26,821.10 | 3,033.98 | | | 49,117.29 | |
| Contract Labor | 20,784.43 | 14,621.90 | 4.92 | 140.00 | 6,786.91 | |
| Claims: | | | | | | |
| Accident & Health | 6,314.85 | 72,088.37 | | 30,200.02 | 1,759,691.78 | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | 523,348.00 | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | 6,512.49 | 96,767.26 | | | 39,271.29 | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | 23,594.40 | 43,072.52 | | | 18,363.50 | |
| Actuarial | 2,846.68 | 2,232.50 | | | 6,578.03 | |
| Consulting | 293.48 | 766.25 | | | | |
| Legal | 11,072.00 | 98,639.85 | | | 14,132.23 | |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | 68.58 | 1,407.67 | | | 110.81 | |
| Computer Related Expenses | 11,057.67 | | | | 44,096.22 | |
| Equipment Rental | | | | | 2,408.52 | |
| Insurance | 805.00 | 2,061.00 | | | 1,886.08 | |
| Moving | 503.89 | 762.30 | | | 1,698.36 | |
| Office & Computer Supplies | 1,947.79 | 988.46 | | | 8,216.33 | |
| Office Rent | 12,000.00 | 42,291.02 | | | 9,510.00 | |
| Postage | 11,188.89 | 19,499.17 | 112.79 | 66.75 | 20,004.36 | 89.66 |
| Reproduction | 3,966.22 | 4,002.99 | | | 671.97 | |
| Security Service Expense | | 1,147.50 | | | | |
| Storage | | 880.00 | | | 1,781.87 | |
| Telephone | 4,580.73 | 7,652.37 | 97.84 | 51.43 | 3,244.19 | 58.06 |
| Travel | 5,411.57 | 29,599.69 | | | 14,427.95 | |
| Utilities | | 881.80 | | | | |
| Allocated Overhead | 11,340.73 | 23,742.68 | 1,605.36 | 1,799.20 | 11,240.65 | 1,363.91 |
| Miscellaneous Disbursements | 2,943.71 | 56,839.65 | 189.72 | 816.26 | 23,146.58 | 1,616.29 |
| Total Disbursements | 792,912.80 | 745,716.90 | 14,970.16 | 47,982.35 | 2,164,924.76 | 20,007.64 |
| Net Changes In Restrictions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 1,343,963.27 | 3,170,183.43 | 195,604.62 | 160,236.93 | 3,161,292.37 | 16,072.21 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #: | 428 | 429 | 430 | 431 | 432 | 433 |
|---|---|---|---|---|---|---|
| Rec Name: | First Nat Indemnity Co | Great SW Life Ins Co | SW American Lloyds Ins Co | Essex Lloyds Ins & Braniff | Intercont'l Ins Co | Underwriter's of Lloyds, US |
| Cash Available 8/31/89 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | 1,061,373.66 | 811,229.82 | 419,314.27 | 50,282.11 | | 917,194.46 |
| Receivables | 2,977.55 | 56,692.59 | 235,905.10 | 688.90 | | 192,734.69 |
| Litigation Settlement | | | 2,310.75 | 50.00 | | |
| Securities | | | | | | |
| Statutory Deposits | | | 202,083.34 | 102,004.11 | | 300,000.00 |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | 8,515.58 | 40,112.50 | 22,390.53 | 13,779.96 | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | 466,000.00 | 11,872,476.00 | 575,000.00 | 100,000.00 | 110,000.00 | 300,000.00 |
| Other Loans | | | 1,845.92 | | | 4,443.21 |
| Premium Income | 8,739.33 | 2,595,438.74 | 40,461.19 | 1,240.70 | | 263,575.98 |
| Interest | 37,497.05 | 78,806.09 | 9,868.24 | 5,335.84 | 27.67 | 8,067.21 |
| Rent Income | 1,620.67 | 143,111.37 | | | | |
| Recovered Expenses | 1,109.45 | 11,755.49 | 429.79 | | | |
| Miscellaneous Receipts | 1,794.76 | 91,844.37 | 25,179.31 | | | |
| Total Receipts | 1,589,628.05 | 15,701,466.97 | 1,534,788.44 | 273,381.62 | 110,027.67 | 1,986,015.55 |
| Total Cash Available 8/31/89 and Cash Receipts | 1,589,628.05 | 15,701,466.97 | 1,534,788.44 | 273,381.62 | 110,027.67 | 1,986,015.55 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | 87,587.40 | 124,479.04 | 69,134.80 | 68,928.55 | 2,505.60 | 98,399.11 |
| Receivership/ Company | 19,557.27 | 102,677.23 | 65,247.31 | 5,335.29 | | 37,186.79 |
| Contract Labor | 5,433.30 | 51,377.43 | 25,851.58 | 3,215.47 | | 8,815.34 |
| Claims: | | | | | | |
| Accident & Health | | 1,899.00 | | | | |
| Property & Casualty | 198,696.00 | | 272,115.50 | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | 11,842,476.00 | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | | | | 15.00 | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | 14,733.94 | 17,005.44 | 18,201.95 | 15,416.17 | | 14,841.06 |
| Actuarial | | 24,745.39 | | | | |
| Consulting | | | | | | |
| Legal | 23,731.73 | 1,049.92 | 19,334.74 | | 5,091.50 | 814.70 |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | 1,584.84 | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | 720.00 | | | | | |
| Building Maintenance | 5,601.93 | 14,044.17 | 718.25 | | | |
| Computer Related Expenses | 2,437.50 | 52,046.65 | 313.20 | 1,644.02 | | |
| Equipment Rental | 1,540.00 | 2,955.25 | 545.80 | | | 320.13 |
| Insurance | 184.90 | 43,477.00 | | 436.79 | | |
| Moving | 893.97 | | 60.70 | 1,813.09 | | |
| Office & Computer Supplies | 1,035.97 | 5,382.79 | 2,045.73 | 859.12 | | 443.26 |
| Office Rent | 6,694.31 | | 10,929.29 | | | 24,122.67 |
| Postage | 2,664.80 | 23,677.16 | 9,499.04 | 88.80 | 71.50 | 1,423.04 |
| Reproduction | 424.37 | | 540.00 | | | 272.72 |
| Security Service Expense | | 9,596.63 | 211.00 | 1,561.63 | | |
| Storage | | | | | | 456.00 |
| Telephone | 2,765.00 | 10,664.47 | 4,309.89 | 682.51 | 8.43 | 772.14 |
| Travel | 18,963.47 | 14,337.99 | 23,211.95 | 8,186.37 | 932.13 | 19,295.89 |
| Utilities | 2,073.11 | 62,760.18 | 5,601.14 | | | |
| Allocated Overhead | 8,757.38 | 12,492.57 | 6,857.35 | 7,040.97 | 155.64 | 10,599.73 |
| Miscellaneous Disbursements | 2,315.21 | 278,885.25 | 2,387.79 | 2,816.69 | 221.49 | 546.60 |
| Total Disbursements | 408,376.40 | 12,676,029.56 | 537,117.09 | 118,025.47 | 9,001.29 | 210,307.18 |
| Net Changes In Restrictions | 0.00 | (25,377.22) | (13,975.96) | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 1,181,251.65 | 3,000,060.19 | 983,695.39 | 155,356.15 | 101,026.38 | 1,775,708.37 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #: | 434 | 435 | 436 | 437 | 438 | 439 |
|---|---|---|---|---|---|---|
| Rec Name: | Ohio General Ins Co | Excalibur Life Ins Co | Petrosurance Casualty Co | Life of Indiana | American Pacer Ins Co | Justice Life Ins Co |
| Cash Available 8/31/89 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Receipts: | | | | | | |
| Funds on Date of Receivership | | 271,019.75 | 5,000.00 | | | 8,972.16 |
| Receivables | | | | | | |
| Litigation Settlement | | | | | | |
| Securities | | | | | | |
| Statutory Deposits | | | | | | |
| Funds Held - Other | | | | | | |
| Furniture & Equipment | | | | | | |
| Real Estate | | | | | | |
| Other Assets | | | | | | |
| Guaranty Fund Loans | | | | | | |
| Other Loans | | 138.89 | | | | 447.93 |
| Premium Income | | | | | | |
| Interest | | 673.46 | | | | |
| Rent Income | | | | | | |
| Recovered Expenses | | | | | | |
| Miscellaneous Receipts | | | | | | |
| Total Receipts | 0.00 | 271,832.10 | 5,000.00 | 0.00 | 0.00 | 9,420.09 |
| Total Cash Available 8/31/89 and Cash Receipts | 0.00 | 271,832.10 | 5,000.00 | 0.00 | 0.00 | 9,420.09 |
| Cash Disbursements: | | | | | | |
| Salaries: | | | | | | |
| Liquidation Division | | 19,190.32 | 3,951.45 | | | |
| Receivership/ Company | | | | | | 8,972.16 |
| Contract Labor | | 419.61 | | | | |
| Claims: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Title | | | | | | |
| Assumptions: | | | | | | |
| Accident & Health | | | | | | |
| Property & Casualty | | | | | | |
| Claims Administration Expense | | 500.00 | | | | |
| Professional Services: | | | | | | |
| Auditing | | | | | | |
| Accounting | | | | | | |
| Actuarial | | | | | | |
| Consulting | | | | | | |
| Legal | | | | | | |
| Judgments | | | | | | |
| Foreign Receiver Expense | | | | | | |
| Escrow Settlement Expense | | | | | | |
| A/P - Funds in Trust | | | | | | |
| Distribution of Equity | | | | | | |
| N/P - Mortgage | | | | | | |
| Federal Income Taxes | | | | | | |
| Interest | | | | | | |
| Building Maintenance | | | | | | |
| Computer Related Expenses | | | | | | |
| Equipment Rental | | | | | | |
| Insurance | | | | | | |
| Moving | | | | | | |
| Office & Computer Supplies | | | | | | |
| Office Rent | | | | | | |
| Postage | | 472.50 | | | | |
| Reproduction | | | | | | |
| Security Service Expense | | | | | | |
| Storage | | | | | | |
| Telephone | | | | | | |
| Travel | | 1,953.90 | | | | 447.93 |
| Utilities | | | | | | |
| Allocated Overhead | | | | | | |
| Miscellaneous Disbursements | | 140.00 | | | | |
| Total Disbursements | 0.00 | 22,676.33 | 3,951.45 | 0.00 | 0.00 | 9,420.09 |
| Net Changes In Restrictions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash Available 8/31/90 | 0.00 | 249,155.77 | 1,048.55 | 0.00 | 0.00 | 0.00 |

Liquidation Division of the State Board of Insurance
Cash Receipts, Disbursements & Cash Balances
Receiverships and Conservatorships
For the Year Ending August 31, 1990

(UNAUDITED)

| Rec #:<br>Rec Name: | 440<br>Nat Benefit<br>Life Ins Co | 441<br>American<br>Independence | 442<br>Commodore<br>Life Ins | Total<br>Receiverships |
|---|---|---|---|---|
| Cash Available 8/31/89 | 0.00 | 0.00 | 0.00 | 75,950,111.95 |
| Cash Receipts: | | | | |
| Funds on Date of Receivership | 458,237.71 | | | 18,821,688.72 |
| Receivables | | | | 8,014,164.37 |
| Litigation Settlement | | | | 14,814,231.96 |
| Securities | | | | 11,072,023.68 |
| Statutory Deposits | | | | 2,607,988.83 |
| Funds Held - Other | | | | 288,768.76 |
| Furniture & Equipment | | | | 842,104.61 |
| Real Estate | | | | 444,937.58 |
| Other Assets | | | | 1,853,921.59 |
| Guaranty Fund Loans | | | | 113,660,311.55 |
| Other Loans | | | | (38,645.18) |
| Premium Income | | | | 8,845,725.53 |
| Interest | | | | 8,022,375.71 |
| Rent Income | | | | 268,896.89 |
| Recovered Expenses | | | | 267,939.07 |
| Miscellaneous Receipts | 2,506.43 | | | 1,174,495.96 |
| Total Receipts | 460,744.14 | 0.00 | 0.00 | 190,932,929.61 |
| Total Cash Available 8/31/89 and Cash Receipts | 460,744.14 | 0.00 | 0.00 | 266,883,041.56 |
| Cash Disbursements: | | | | |
| Salaries: | | | | |
| Liquidation Division | | | | 7,344,728.19 |
| Receivership/ Company | 13,309.67 | | | 1,707,370.92 |
| Contract Labor | | | | 1,011,099.75 |
| Claims: | | | | |
| Accident & Health | | | | 34,957,524.27 |
| Property & Casualty | | | | 34,695,191.52 |
| Title | | | | 1,289,434.97 |
| Assumptions: | | | | |
| Accident & Health | | | | 36,259,780.50 |
| Property & Casualty | | | | 329,848.71 |
| Claims Administration Expense | | | | 3,553,336.16 |
| Professional Services: | | | | |
| Auditing | | | | 9,773.90 |
| Accounting | | | | 1,441,036.85 |
| Actuarial | | | | 183,485.07 |
| Consulting | | | | 61,797.91 |
| Legal | | | | 7,714,184.27 |
| Judgments | | | | 52,021.52 |
| Foreign Receiver Expense | | | | 7,546,886.84 |
| Escrow Settlement Expense | | | | 262,052.59 |
| A/P - Funds in Trust | | | | 177,979.76 |
| Distribution of Equity | | | | 1,356,718.73 |
| N/P - Mortgage | | | | 118,228.07 |
| Federal Income Taxes | | | | 125,845.26 |
| Interest | | | | 41,803.04 |
| Building Maintenance | | | | 111,814.00 |
| Computer Related Expenses | | | | 300,301.59 |
| Equipment Rental | | | | 162,928.62 |
| Insurance | | | | 235,894.69 |
| Moving | | | | 52,876.25 |
| Office & Computer Supplies | | | | 114,898.49 |
| Office Rent | | | | 783,316.27 |
| Postage | | | | 321,828.35 |
| Reproduction | | | | 81,831.85 |
| Security Service Expense | | | | 144,622.45 |
| Storage | | | | 58,061.54 |
| Telephone | | | | 288,114.03 |
| Travel | | | | 500,769.02 |
| Utilities | | | | 206,280.45 |
| Allocated Overhead | | | | 779,091.89 |
| Miscellaneous Disbursements | | | | 1,836,843.34 |
| Total Disbursements | 13,309.67 | 0.00 | 0.00 | 146,219,611.63 |
| Net Changes In Restrictions | 0.00 | 0.00 | 0.00 | (5,047,406.08) |
| Cash Available 8/31/90 | 447,434.47 | 0.00 | 0.00 | 115,616,023.85 |

================================================================================

NOTES:

1. Several receiverships show negative Total Receipts for the year ended 8/31/90; this is true because the loans made to the estates are netted with the repayments of those loans.

2. Receiverships #192, #193, #209, #248, #251, #261, #262, #267, #276, #282, #286, #290, #305, #315, #356, #367, #370, #372, #377, #383, #385, #389, #396, #399, #400, #401, #412, and #419 were closed by Court Order during the year ended 8/31/90.

3. Receiverships #434, #437, #438, #441, and #442 had no recorded activity as of 8/31/90.

# PART IV: SUMMARY OF INFORMATION FROM ANNUAL STATEMENTS

**Figure 90. Grand Total - Texas Premium Summary 1988 - 1989**

| | As of December 31, 1988 | As of December 31, 1989 |
|---|---:|---:|
| Total Property & Casualty | $14,262,832,572 | $15,179,190,130 |
| Total Life & Annuity | 6,473,451,233 | 6,510,189,320 |
| Total Accident & Health | 5,169,852,808 | 6,147,863,748 |
| Health Maintenance Organizations | 1,008,580,348 | 1,771,929,684 |
| Non-Profit Legal Services Corporations | 588,328 | 613,757 |
| TOTAL | $26,915,305,289 | $29,609,786,639 |

**Figure 91. Texas Premium Summary - Property and Casualty: 1988 – 1989**

| | As of December 31, 1988 | As of December 31, 1989 |
|---|---:|---:|
| RATE REGULATED* | | |
| Automobile | $4,473,087,615 | $4,594,495,832 |
| Workers' Compensation | 2,906,377,185 | 3,463,309,147 |
| Fire & Allied Lines | 2,742,924,202 | 2,706,677,532 |
| Liability | 2,006,329,640 | 2,064,039,066 |
| Title | 299,995,475 | 310,765,231 |
| Other | 387,398,813 | 386,515,239 |
| NON-RATE REGULATED | | |
| Farm Mutual Companies | 77,971,963 | 83,256,062 |
| County Mutual Companies** | 794,378,026 | 1,006,510,706 |
| Unauthorized & Surplus Lines | 574,369,653 | 563,621,315 |
| TOTAL | $14,262,832,572 | $15,179,190,130 |

* *Includes Lloyd's companies which are not rate regulated as to Fire and Allied Lines*

** *Primarily automobile including mobile homes*

**Figure 92. Texas Premium Summary - Life, Accident & Health and Annuity: 1988 - 1989**

| | As of December 31, 1988 | As of December 31, 1989 |
|---|---|---|
| LIFE & ANNUITY--LEGAL RESERVE | | |
| Ordinary Life | $ 3,533,651,105 | $ 3,348,872,122 |
| Group | 660,092,306 | 745,427,485 |
| Industrial | 29,514,428 | 24,151,840 |
| Credit | 166,600,761 | 175,477,536 |
| Annuity | 2,054,759,578 | 2,185,476,008 |
| LIFE & ANNUITY -- OTHER THAN LEGAL RESERVE | | |
| Life | 28,497,035 | 30,724,175 |
| Annuity | 336,020 | 60,154 |
| ACCIDENT & HEALTH -- LEGAL RESERVE | | |
| Group | $3,566,360,279 | 4,041,625,389 |
| Individual | 631,195,692 | 989,999,450 |
| Credit | 127,510,117 | 135,631,264 |
| ACCIDENT & HEALTH -- OTHER THAN LEGAL RESERVE* | | |
| Group | 760,493,405 | 902,258,104 |
| Individual | 84,293,315 | 78,349,541 |
| TOTAL | $11,643,304,041 | $12,658,063,068 |

Figure 93. **Summary of Information From Annual Statements - Legal Reserve Life Insurance Companies:** For Calendar Year 1989 (All Companies Combined)

| | TEXAS COMPANIES | FOREIGN COMPANIES |
|---|---|---|
| Net Premium Income | | |
| Life Insurance. . . . . . . . . . | $ 3,317,653,217 | $ 107,598,177,389 |
| Accident & Health . . . . . . . . | 2,924,826,171 | 53,264,359,988 |
| Admitted Assets. . . . . . . . . . . | 38,137,450,650 | 1,271,861,871,687 |
| Liabilities, Excluding Capital . . . | 33,052,797,384 | 1,119,942,761,444 |
| Paid-Up Capital. . . . . . . . . . . | 229,840,776 | 2,319,643,826 |
| Surplus (Excluding Paid-Up Capital). . . . . . . . . | 4,854,812,490 | 69,599,466,417 |
| Net Gain From Operations . . . . . . | 834,651,700 | 8,759,720,996 |

**Figure 94. Summary of Information From Annual Statements - Legal Reserve Life Insurance Companies (Texas Business Only):** For Calendar Year 1989

## TEXAS COMPANIES

| | ORDINARY | GROUP | INDUSTRIAL | CREDIT LIFE |
|---|---|---|---|---|
| Life Premiums | $630,547,573 | $179,395,505 | $ 4,717,657 | $ 98,580,958 |
| Annuity Considerations | 357,262,841 | 18,800,590 | -0- | -0- |
| Other Lines of Business | -0- | -0- | -0- | -0- |
| Annuity & Other Fund Deposits | 42,573,000 | 83,080,096 | -0- | -0- |
| Life/Annuity Policy Dividends | 13,582,602 | 96,122 | -0- | -0- |
| Claims & Benefits | 631,252,234 | 174,989,022 | 8,716,117 | 25,181,409 |

| | PREMIUMS WRITTEN | LOSSES PAID | DIVIDEND PAID |
|---|---|---|---|
| Accident & Health | | | |
| Group | $1,505,200,198 | $1,421,830,701 | $ -0- |
| Individual | 243,064,046 | 131,234,247 | 500 |
| Credit | 61,945,484 | 25,158,088 | -0- |

## FOREIGN COMPANIES

| | ORDINARY | GROUP | INDUSTRIAL | CREDIT LIFE |
|---|---|---|---|---|
| Life Premiums | $2,593,169,961 | $ 566,031,980 | $19,434,183 | $ 76,896,575 |
| Annuity Considerations | 1,465,856,677 | 343,555,900 | -0- | -0- |
| Other Lines of Business | 258,207 | -0- | -0- | -0- |
| Annuity & Other Fund Deposits | 560,565,687 | 1,208,458,297 | -0- | -0- |
| Life/Annuity Policy Dividends | 468,415,946 | 27,325,584 | 4,820,031 | 1,557,918 |
| Claims & Benefits | 2,090,240,371 | 1,636,587,186 | 21,878,246 | 30,045,063 |

| | PREMIUMS WRITTEN | LOSSES PAID | DIVIDEND PAID |
|---|---|---|---|
| Accident & Health | | | |
| Group | $2,536,425,191 | $2,073,009,664 | $ 6,277,217 |
| Individual | 737,214,148 | 390,679,968 | 1,880,842 |
| Credit | 73,685,780 | 35,913,480 | 1,231,134 |

**Figure 95. Summary of Information From Annual Statements - Stipulated Premium Companies (All Companies Combined):** For Calendar Year 1989

TEXAS BUSINESS ONLY

| | ORDINARY | ANNUITY | INDIVIDUAL ACCIDENT & HEALTH |
|---|---|---|---|
| Premiums | $ 27,845,218 | $ 60,154 | $ 78,349,541 |
| Claims and Benefits | 11,677,434 | -0- | 46,711,258 |

| | |
|---|---|
| Net Premium Income, Life Insurance | $ 34,902,043 |
| Net Premium Income, Accident & Health Insurance | 86,732,941 |
| Admitted Assets | 237,277,940 |
| Liabilities | 167,338,380 |
| Capital Paid-Up | 5,663,492 |
| Surplus (Excluding Capital Paid-Up) | 64,276,068 |
| Net Gain from Operations | 8,399,469 |

**Figure 96. Summary of Information From Annual Statements - Filed by Fraternal Benefit Societies:** For Calendar Year 1989 (All Societies Combined)

| | TEXAS SOCIETIES | FOREIGN SOCIETIES |
|---|---|---|
| Net Received from Members | $ 24,991,766 | $ 2,887,983,474 |
| Total Benefits Paid (Before Allowance for Reinsurance) | 8,778,848 | 779,492,528 |
| Admitted Assets | 265,301,872 | 23,183,577,590 |
| Total Reserves | 195,531,442 | 18,289,286,855 |
| Certificate and Contract Claims Unpaid | 488,875 | 95,196,488 |
| Other Current Liabilities | 10,110,110 | 2,524,296,786 |
| Total Liabilities | 205,281,561 | 20,814,689,454 |
| Special Reserves and Unassigned Funds | 60,020,311 | 2,374,390,566 |
| Insurance in Force | 1,531,622,446 | 149,819,018,543 |
| TEXAS BUSINESS ONLY | | |
| Number of Lodges | 1,130 | 1,733 |
| Life Certificates Issued During 1989 | | |
| Number | 12,375 | 29,391 |
| Amount | $277,421,591 | $ 1,457,491,301 |
| Life Certificates in Force December 31, 1989 | | |
| Number | | |
| Amount | $1,488,177,824 | $ 7,592,683,626 |
| Total Payments Received from Members During 1989 | | |
| Life | $ 22,206,966 | $ 102,947,622 |
| Accident and Health | | 9,721,256 |
| Insurance Benefits Paid Members During 1989 | | |
| Life | $ 6,347,919 | $ 23,404,853 |
| Accident and Health | -0- | 7,328,600 |

**Figure 97. Summary of Information From Annual Statements - Statewide Mutual Assessment Companies:** For Calendar Year 1989 (All Companies Combined)

| | |
|---|---|
| Number of Members | 42,197 |
| Amount of Insurance In Force | $ 33,656,994 |
| Ledger Assets - December 31, 1988 | |
| Mortuary Fund | 18,175,276 |
| Expense Fund | 2,363,743 |
| Total Premium Income | |
| Mortuary Fund | 533,783 |
| Expense Fund | 660,764 |
| Total Other Income | |
| Mortuary Fund | 1,847,132 |
| Expense Fund | 22,487 |
| Claims Paid | |
| Mortuary Fund | 770,413 |
| Expense Fund | -0- |
| Other Expenditures | |
| Mortuary Fund | 590,355 |
| Expense Fund | 910,707 |
| Companies Retiring During 1989 | |
| Mortuary Fund | -0- |
| Expense Fund | -0- |
| Ledger Assets - December 31, 1989 | |
| Mortuary Fund | 19,195,423 |
| Expense Fund | 2,136,347 |
| Liabilities - December 31, 1989 | |
| Mortuary Fund | 7,362,505 |
| Expense Fund | 48,000 |
| Mortuary Fund - December 31, 1989 | |
| Net Admitted Assets | 22,181,491 |
| Aggregate Policy Reserves | 7,200,049 |
| Other Liabilities | 68,164 |

Figure 98. Summary of Information From Annual Statements - Local Mutual Aid Associations: For Calendar Year 1989 (All Associations Combined)

| | |
|---|---|
| Number of Members | 56,169 |
| Amount of Insurance in Force | $ 33,653,546 |
| Ledger Assets - December 31, 1988 | |
| Mortuary Fund | 25,458,354 |
| Expense Fund | 470,310 |
| Total Premium Income | |
| Mortuary Fund | 577,921 |
| Expense Fund | 375,724 |
| Total Other Income | |
| Mortuary Fund | 1,371,688 |
| Expense Fund | 30,368 |
| Claims Paid | |
| Mortuary Fund | 691,076 |
| Expense Fund | -0- |
| Other Expenditures | |
| Mortuary Fund | 103,369 |
| Expense Fund | 394,720 |
| Companies Retiring During 1989 | |
| Mortuary Fund | 8,226,116 |
| Expense Fund | 174,456 |
| Ledger Assets - December 31, 1989 | |
| Mortuary Fund | 18,387,402 |
| Expense Fund | 307,226 |
| Liabilities - December 31, 1989 | |
| Mortuary Fund | 8,294,715 |
| Expense Fund | 20,345 |
| Mortuary Fund - December 31, 1989 | |
| Net Admitted Assets | 18,874,250 |
| Aggregate Policy Reserves | 6,563,010 |
| Other Liabilities | 1,623,681 |

**Figure 99.** Summary of Information From Annual Statements - Burial Associations: For Calendar Year 1989 (All Associations Combined)

| | |
|---|---|
| Number of Members | 14,472 |
| Amount of Insurance in Force | $ 1,973,037 |
| Ledger Assets - December 31, 1988 | |
| Mortuary Fund | 2,841,578 |
| Expense Fund | 23,161 |
| Total Premium Income | |
| Mortuary Fund | 23,912 |
| Expense Fund | 15,559 |
| Total Other Income | |
| Mortuary Fund | 185,715 |
| Expense Fund | 827 |
| Claims Paid | |
| Mortuary Fund | 38,866 |
| Expense Fund | -0- |
| Other Expenditures | |
| Mortuary Fund | 65 |
| Expense Fund | 21,966 |
| Companies Retiring During 1989 | |
| Mortuary Fund | 588,658 |
| Expense Fund | 474 |
| Ledger Assets - December 31, 1989 | |
| Mortuary Fund | 2,423,616 |
| Expense Fund | 17,107 |
| Liabilities - December 31, 1989 | |
| Mortuary Fund (Net of Adjusted Permissive Deficiency Reserve) | 1,579,887 |
| Expense Fund | 4,038 |
| Mortuary Fund - December 1989 | |
| Net Admitted Assets | 2,439,986 |
| Aggregate Policy Reserves | 334,919 |
| Other Liabilities | 1,245,505 |

**Figure 100.** Summary of Information From Annual Statements - Exempt Associations and Non-Profit Group Hospital Service: For Calendar Year 1989 (All Associations Combined)

EXEMPT ASSOCIATIONS

| | |
|---|---|
| Number of Members | 17,191 |
| Balance - December 31, 1988 | $ 1,511,291 |
| Total Receipts | 1,351,787 |
| Claims Paid | 1,094,722 |
| All Other Disbursements | 195,914 |
| Balance - December 31, 1989 | 1,573,042 |

NON-PROFIT GROUP HOSPITAL SERVICE

| | | |
|---|---|---|
| Net Premium Income, Accident & Health | | $1,008,665,484 |
| Admitted Assets | | 392,731,469 |
| Total Liabilities | | 321,378,140 |
| Unassigned Policyholders' Funds | | 71,353,329 |
| Net Gain From Operations | | 8,571,586 |
| | PREMIUMS WRITTEN | LOSSES PAID |
| Accident & Health Group | $902,222,898 | $791,368,201 |

**Figure 101. Summary of Information From Annual Statements - Health Maintenance Organizations and Non-Profit Legal Services Corporations:** For Calendar Year 1989

## HEALTH MAINTENANCE ORGANIZATIONS

| | |
|---|---|
| Number of Enrollees | 2,055,980 |
| Direct Premiums Written | $ 1,771,954,326 |
| Reinsurance Assumed | 19,778 |
| Reinsured Ceded | 4,460,226 |
| Net Premium Written | 1,767,513,878 |
| Claims Paid | 1,505,336,658 |
| Claims Unpaid | 235,265,781 |
| Net Admitted Assets | 531,423,742 |
| Total Liabilities | 521,887,208 |
| Capital | 4,080,244 |
| Total Surplus and Unassigned Funds | 5,456,290 |

## NON-PROFIT LEGAL SERVICES CORPORATIONS

| | |
|---|---|
| Number of Participants | 6,328 |
| Net Assessments in Force | $ -0- |
| Net Assessments Written | |
| Claims Fund | 429,912 |
| Expense Fund | 183,845 |
| Net Claims Paid | -0- |
| Admitted Assets | |
| Claims Fund | 1,343 |
| Expense Fund | 61,332 |
| Total Liabilities | |
| Claims Fund | 1,428 |
| Expense Fund | -0- |
| Total Policyholders' Surplus | |
| Claims Fund | -0- |
| Expense Fund | 190,500 |

**Figure 102. Summary of Information From Annual Statements - Title Companies and County Mutual Fire Insurance Companies:** For Calendar Year 1989

## TITLE COMPANIES

| | TEXAS COMPANIES | FOREIGN COMPANIES |
|---|---|---|
| Direct Premium Income. . . . . | $ 321,046,021 | $ 2,673,295,646 |
| Losses Paid. . . . . . . . . . | 15,727,905 | 212,157,931 |
| Dividends Paid . . . . . . . . | 195,000 | 47,331,080 |
| Net Income . . . . . . . . . . | (484,398) | 41,757,015 |
| Admitted Assets. . . . . . . . | 173,561,832 | 1,988,742,568 |
| Liabilities, Except Capital. . | 92,276,057 | 1,212,175,352 |
| Capital Paid-Up. . . . . . . . | 12,500,000 | 203,134,663 |
| Surplus. . . . . . . . . . . . | 68,785,775 | 573,432,553 |
| Texas Business During 1989 | | |
| Premiums. . . . . . . . . | 127,863,306 | 182,901,925 |
| Losses Paid . . . . . . . | 4,295,875 | 19,427,971 |

## COUNTY MUTUAL FIRE INSURANCE COMPANIES

| | |
|---|---|
| Direct Premium Income. . . . . | $1,006,528,844 |
| Reinsurance Assumed. . . . . . | 1,391,976 |
| Reinsurance Ceded. . . . . . . | 944,309,595 |
| Net Premium Income . . . . . . | 63,611,225 |
| Direct Losses Paid . . . . . . | 600,648,056 |
| Admitted Assets. . . . . . . . | 158,110,967 |
| Total Liabilities. . . . . . . | 109,767,540 |
| Surplus. . . . . . . . . . . . | 48,343,427 |
| Total Unpaid Claims. . . . . . | 17,781,527 |
| Total Unearned Premiums. . . . | 16,589,239 |
| Net Income . . . . . . . . . . | 1,434,716 |

**Figure 103. Summary of Information From Annual Statements - Stock Fire Insurance Companies: For Calendar Year 1989 (All Companies Combined)**

| | TEXAS COMPANIES | FOREIGN COMPANIES |
|---|---|---|
| Direct Premium Income. . . . . | $ 38,232,518 | $ 145,966,436 |
| Reinsurance Assumed. . . . . . | 544,681 | 73,011,276 |
| Reinsurance Ceded. . . . . . . | 37,220,459 | 99,843,879 |
| Net Premium Income . . . . . . | 1,556,740 | 119,133,833 |
| Losses Paid. . . . . . . . . . | 72,859,669 | 83,666,104 |
| Stockholders' Dividend Paid. . | -0- | -0- |
| Admitted Assets. . . . . . . . | 13,037,905 | 178,162,170 |
| Total Liabilities. . . . . . . | 9,024,418 | 97,347,898 |
| Capital Paid-Up. . . . . . . . | 1,605,100 | 11,951,770 |
| Surplus, (Exclusive of Capital) | 2,408,387 | 68,862,502 |
| Treasury Stock . . . . . . . . | -0- | 29,276 |
| Total Unpaid Claims. . . . . . | -0- | 39,918,840 |
| Total Unearned Premiums. . . . | 995,437 | 37,405,891 |
| Net Income . . . . . . . . . . | 1,000,387 | 13,655,020 |

TEXAS BUSINESS ONLY

| | | |
|---|---|---|
| FIRE AND ALLIED LINES | | |
| Premiums. . . . . . . . . | $ 9,966,789 | $ 1,561,649 |
| Losses. . . . . . . . . . | 29,632,761 | 3,037,914 |
| WORKERS' COMPENSATION | | |
| Premiums. . . . . . . . . | $ -0- | -0- |
| Losses. . . . . . . . . . | -0- | 25,025 |
| TOTALS | | |
| Premiums. . . . . . . . . | $ 9,966,789 | $ 1,561,649 |
| Losses. . . . . . . . . . | 29,632,761 | 3,062,939 |

**Figure 104. Summary of Information From Annual Statements - Stock Casualty Insurance Companies: For Calendar Year 1989 (All Companies Combined)**

| | TEXAS COMPANIES | FOREIGN COMPANIES |
|---|---|---|
| Direct Premium Income. . . . . | $ 23,004,409 | $ 2,483,509,797 |
| Reinsurance Assumed. . . . . . | 331,417 | 311,211,326 |
| Reinsurance Ceded. . . . . . . | 14,026,348 | 604,211,293 |
| Net Premium Income . . . . . . | 9,309,478 | 2,190,509,830 |
| | | |
| Losses Paid. . . . . . . . . . | 6,481,172 | 1,428,562,149 |
| Stockholders' Dividend Paid. . | 2,252,015 | 137,218,649 |
| | | |
| Admitted Assets. . . . . . . . | 23,455,960 | 9,416,738,227 |
| Total Liabilities. . . . . . . | 11,785,033 | 6,116,219,896 |
| | | |
| Capital Paid-Up. . . . . . . . | 1,900,000 | 444,488,288 |
| Surplus, (Exclusive of Capital) | 9,770,927 | 2,856,030,043 |
| Treasury Stock . . . . . . . . | -0- | 135,343,091 |
| | | |
| Total Unpaid Claims. . . . . . | 6,490,869 | 1,886,911,045 |
| Total Unearned Premiums. . . . | 458,753 | 2,081,646,421 |
| Net Income . . . . . . . . . . | 2,724,675 | 489,905,057 |

TEXAS BUSINESS ONLY

| | TEXAS COMPANIES | FOREIGN COMPANIES |
|---|---|---|
| Fire and Allied Lines | | |
| Premiums. . . . . . . . . | -0- | $ 1,771,778 |
| Losses. . . . . . . . . . | -0- | 1,631,376 |
| Ocean Marine | | |
| Premiums. . . . . . . . . | -0- | $ 1,406 |
| Losses. . . . . . . . . . | -0- | -0- |
| Automobile | | |
| Premiums. . . . . . . . . | -0- | -0- |
| Losses. . . . . . . . . . | -0- | -0- |
| Workers' Compensation | | |
| Premiums. . . . . . . . . | 9,536,218 | 30,571,019 |
| Losses. . . . . . . . . . | 4,478,761 | 9,079,127 |
| Accident and Health | | |
| Premiums. . . . . . . . . | -0- | 5,491,870 |
| Losses. . . . . . . . . . | -0- | 1,875,426 |
| Aircraft Physical Damage | | |
| Premiums. . . . . . . . . | -0- | 94,456 |
| Losses. . . . . . . . . . | -0- | 44,088 |
| Credit Guaranty | | |
| Premiums. . . . . . . . . | -0- | 55,215,339 |
| Losses. . . . . . . . . . | -0- | 236,702,406 |
| Other Casualty Lines | | |
| Premiums. . . . . . . . . | 4,286,460 | 120,617,235 |
| Losses. . . . . . . . . . | 980,965 | 54,588,618 |
| Totals | | |
| Premiums. . . . . . . . . | 13,822,678 | 213,763,103 |
| Losses. . . . . . . . . . | 5,459,726 | 303,921,041 |

**Figure 105. Summary of Information From Annual Statements - Mutual Fire and Casualty Companies: For Calendar Year 1989 (All Companies Combined)**

| | TEXAS COMPANIES | FOREIGN COMPANIES |
|---|---|---|
| Direct Premium Income. . . . . | $ 465,611,593 | $ 36,836,763,687 |
| Reinsurance Assumed. . . . . . | 104,773,050 | 17,249,704,409 |
| Reinsurance Ceded. . . . . . . | 317,521,110 | 14,752,516,353 |
| Net Premium Income . . . . . . | 252,863,533 | 39,333,951,743 |
| Losses Paid. . . . . . . . . . | 461,508,136 | 23,921,426,027 |
| Stockholders' Dividend Paid. . | 186,684 | -0- |
| Admitted Assets. . . . . . . . | 794,543,936 | 91,454,760,088 |
| Total Liabilities. . . . . . . | 667,094,011 | 59,314,976,616 |
| Surplus, (As Regards to Policyholders). . . . . . . | 127,449,925 | 32,139,783,472 |
| Total Unpaid Claims. . . . . . | 471,010,103 | 36,177,865,442 |
| Total Unearned Premiums. . . . | 163,393,038 | 11,393,302,417 |
| Net Income . . . . . . . . . . | (38,029,879) | 1,117,937,908 |

TEXAS BUSINESS ONLY

| | | |
|---|---|---|
| Fire and Allied Lines | | |
| Premiums. . . . . . . . . | $ 50,240,824 | $ 114,078,121 |
| Losses. . . . . . . . . . | 39,899,082 | 107,648,878 |
| Ocean Marine | | |
| Premiums. . . . . . . . . | -0- | 5,005,981 |
| Losses. . . . . . . . . . | -0- | 6,750,013 |
| Automobile | | |
| Premiums. . . . . . . . . | 162,848,603 | $ 1,305,064,737 |
| Losses. . . . . . . . . . | 131,782,290 | 991,082,005 |
| Workers' Compensation | | |
| Premiums. . . . . . . . . | 222,685,718 | 647,810,128 |
| Losses. . . . . . . . . . | 282,354,765 | 481,370,576 |
| Accident and Health | | |
| Premiums. . . . . . . . . | 469,431 | 87,245,331 |
| Losses. . . . . . . . . . | 229,900 | 66,468,630 |
| Aircraft Physical Damage | | |
| Premiums. . . . . . . . . | -0- | 250,063 |
| Losses. . . . . . . . . . | -0- | 1,791,882 |
| Credit Guaranty | | |
| Premiums. . . . . . . . . | -0- | 333,096 |
| Losses. . . . . . . . . . | -0- | 52,902 |
| Other Casualty Lines | | |
| Premiums. . . . . . . . . | 19,198,688 | 104,871,586 |
| Losses. . . . . . . . . . | 12,839,398 | 73,719,962 |
| Totals | | |
| Premiums. . . . . . . . . | 455,443,264 | 2,264,659,043 |
| Losses. . . . . . . . . . | 467,105,435 | 1,728,884,848 |

**Figure 106. Summary of Information From Annual Statements - Stock Fire and Casualty Companies:** For Calendar Year 1989 (All Companies Combined)

| | TEXAS COMPANIES | FOREIGN COMPANIES |
|---|---|---|
| Direct Premium Income | $ 3,420,442,052 | $125,384,120,548 |
| Reinsurance Assumed | 1,193,110,817 | 97,263,328,184 |
| Reinsurance Ceded | 2,220,482,453 | 103,995,423,098 |
| Net Premium Income | 2,393,070,416 | 118,652,025,634 |
| Losses Paid | 2,429,967,945 | 74,776,574,164 |
| Stockholders' Dividend Paid | 82,080,982 | 6,499,309,814 |
| Admitted Assets | 6,106,366,225 | 330,244,041,081 |
| Total Liabilities | 3,798,925,666 | 245,111,781,707 |
| Capital Paid-Up | 137,205,167 | 2,564,301,586 |
| Surplus, (Exclusive of Capital) | 2,170,235,392 | 82,567,957,788 |
| Treasury Stock | 13,646,063 | 73,033,963 |
| Total Unpaid Claims | 1,974,267,087 | 143,806,353,947 |
| Total Unearned Premiums | 855,038,069 | 47,943,057,282 |
| Net Income | 42,094,836 | 8,691,186,287 |

TEXAS BUSINESS ONLY

| | TEXAS COMPANIES | FOREIGN COMPANIES |
|---|---|---|
| Fire and Allied Lines | | |
| Premiums | $ 288,397,739 | $ 1,347,650,889 |
| Losses | 308,578,761 | 1,462,139,948 |
| Ocean Marine | | |
| Premiums | 9,146,178 | 100,535,854 |
| Losses | 8,142,562 | 84,730,000 |
| Automobile | | |
| Premiums | 863,955,964 | 1,998,576,047 |
| Losses | 654,395,813 | 1,451,521,444 |
| Workers' Compensation | | |
| Premiums | 563,477,951 | 1,896,468,804 |
| Losses | 441,760,478 | 1,585,154,373 |
| Accident and Health | | |
| Premiums | 1,070,441 | 116,116,936 |
| Losses | 1,361,665 | 123,648,573 |
| Aircraft Physical Damage | | |
| Premiums | 7,619,300 | 48,519,594 |
| Losses | 5,545,414 | 47,561,026 |
| Credit Guaranty | | |
| Premiums | 353,055 | 4,697,886 |
| Losses | 55,354 | 2,212,125 |
| Other Casualty Lines | | |
| Premiums | 297,780,072 | 1,165,240,237 |
| Losses | 181,420,699 | 675,569,096 |
| Totals | | |
| Premiums | 2,031,800,700 | 6,677,806,247 |
| Losses | 1,601,260,746 | 5,432,536,585 |

**Figure 107. Summary of Information From Annual Statements - Lloyds:** For Calendar Year 1989

| | TEXAS COMPANIES | FOREIGN COMPANIES |
|---|---|---|
| Direct Premium Income. . . . . | $ 977,366,073 | $ 18,360,780 |
| Reinsurance Assumed. . . . . . | 48,709,707 | 366,987 |
| Reinsurance Ceded. . . . . . . | 942,841,557 | 14,071,288 |
| Net Premium Income . . . . . . | 83,234,223 | 4,656,479 |
| Losses Paid. . . . . . . . . . | 625,240,458 | 11,479,518 |
| Dividends Paid Underwriters. . . | 2,323,063 | -0- |
| Admitted Assets. . . . . . . . | 292,294,498 | 15,340,037 |
| Total Liabilities. . . . . . . | 165,658,365 | 6,138,491 |
| Surplus (Including Guaranty Fund. . . . . | 126,636,133 | 9,201,546 |
| Total Unpaid Claims. . . . . . | 42,816,507 | 2,040,997 |
| Total Unearned Premiums. . . . | 21,044,300 | 2,517,016 |
| Net Income . . . . . . . . . . | 1,794,635 | (433,184) |
| | TEXAS BUSINESS ONLY | |
| Fire and Allied Lines | | |
| Premiums. . . . . . . . . | $ 632,005,982 | $ 1,975,446 |
| Losses. . . . . . . . . . | 421,035,003 | 1,831,522 |
| Ocean Marine | | |
| Premiums. . . . . . . . . | 710 | -0- |
| Losses. . . . . . . . . . | 1,634 | -0- |
| Automobile | | |
| Premiums. . . . . . . . . | 64,915,398 | -0- |
| Losses. . . . . . . . . . | 39,446,239 | -0- |
| Workers' Compensation | | |
| Premiums. . . . . . . . . | 57,878,145 | -0- |
| Losses. . . . . . . . . . | 27,904,113 | -0- |
| Accident and Health | | |
| Premiums. . . . . . . . . | 875,038 | -0- |
| Losses. . . . . . . . . . | 152,761 | -0- |
| Aircraft Physical Damage | | |
| Premiums. . . . . . . . . | -0- | -0- |
| Losses. . . . . . . . . . | -0- | -0- |
| Credit Guaranty | | |
| Premiums. . . . . . . . . | 1,278,969 | -0- |
| Losses. . . . . . . . . . | 135,906 | -0- |
| Other Casualty Lines | | |
| Premiums. . . . . . . . . | 198,854,626 | -0- |
| Losses. . . . . . . . . . | 124,587,223 | -0- |
| Totals | | |
| Premiums. . . . . . . . . | 955,808,868 | 1,975,446 |
| Losses. . . . . . . . . . | 613,262,879 | 1,831,522 |

**Figure 108. Summary of Information From Annual Statements - Reciprocal Exchanges: For Calendar Year 1989**

| | TEXAS COMPANIES | FOREIGN COMPANIES |
|---|---|---|
| Direct Premium Income. . . . . | $ 2,299,519,072 | $ 3,834,459,295 |
| Reinsurance Assumed. . . . . . | 62,670,012 | 6,777,737,553 |
| Reinsurance Ceded. . . . . . . | 115,934,850 | 4,631,685,184 |
| Net Premium Income . . . . . . | 2,246,254,504 | 5,980,511,664 |
| Losses Paid. . . . . . . . . | 1,374,291,797 | 2,254,245,611 |
| Admitted Assets. . . . . . . . | 5,481,580,071 | 10,132,436,135 |
| Total Liabilities. . . . . . . | 2,807,385,998 | 7,820,990,761 |
| Surplus, as Regards to Policyholders . . . . . . | 2,674,194,073 | 2,311,445,374 |
| Total Unpaid Claims. . . . . . | 1,470,282,543 | 4,437,939,877 |
| Total Unearned Premiums. . . . | 750,312,261 | 1,658,161,912 |
| Net Income . . . . . . . . . . | 198,967,352 | (45,136,197) |
| | TEXAS BUSINESS ONLY | |
| Fire and Allied Lines | | |
| Premiums. . . . . . . . . | $ 135,217,198 | $ 123,811,117 |
| Losses. . . . . . . . . . | 91,830,917 | 123,967,707 |
| Ocean Marine | | |
| Premiums. . . . . . . . . | 1,176,083 | -0- |
| Losses. . . . . . . . . . | 1,087,625 | -0- |
| Automobile | | |
| Premiums. . . . . . . . . | 165,298,599 | 33,057,990 |
| Losses. . . . . . . . . . | 110,626,190 | 24,023,559 |
| Workers' Compensation | | |
| Premiums. . . . . . . . . | 6,141,288 | 28,739,876 |
| Losses. . . . . . . . . . | 5,792,466 | 20,680,206 |
| Accident and Health | | |
| Premiums. . . . . . . . . | 2,499,402 | -0- |
| Losses. . . . . . . . . . | 1,818,850 | -0- |
| Aircraft Physical Damage | | |
| Premiums. . . . . . . . . | -0- | 397,165 |
| Losses. . . . . . . . . . | -0- | 475,158 |
| Credit Guaranty | | |
| Premiums. . . . . . . . . | -0- | -0- |
| Losses. . . . . . . . . . | -0- | -0- |
| Other Casualty Lines | | |
| Premiums. . . . . . . . . | 66,765,117 | 22,704,279 |
| Losses. . . . . . . . . . | 58,822,479 | 14,359,713 |
| Totals | | |
| Premiums. . . . . . . . . | 377,097,687 | 208,710,427 |
| Losses. . . . . . . . . . | 269,978,527 | 183,506,343 |

**Figure 109.** Summary of Information From Annual Statements - Risk Retention Groups: For Calendar Year 1989

| | TEXAS COMPANIES |
|---|---|
| Direct Premium Income. . . . . | $ 20,244,160 |
| Reinsurance Assumed. . . . . . | (9,831) |
| Reinsurance Ceded. . . . . . . | 11,809,952 |
| Net Premium Income . . . . . . | 8,424,377 |
| Losses Paid. . . . . . . . . . | 2,457,739 |
| Stockholders' Dividend Paid. . | -0- |
| Admitted Assets. . . . . . . . | 30,036,134 |
| Total Liabilities. . . . . . . | 20,972,567 |
| Capital Paid-Up. . . . . . . . | 1,200,000 |
| Surplus, (Exclusive of Capital). . . . | 7,863,567 |
| Treasury Stock . . . . . . . . | -0- |
| Total Unpaid Claims. . . . . . | 9,088,537 |
| Total Unearned Premiums. . . . | 3,278,145 |
| Net Income . . . . . . . . . . | 709,473 |

TEXAS BUSINESS ONLY

| | |
|---|---|
| Automobile | |
| Premiums. . . . . . . . . | 778,494 |
| Losses. . . . . . . . . . | 285,843 |
| Other Casualty Lines | |
| Premiums. . . . . . . . . | 1,842,421 |
| Losses. . . . . . . . . . | 81,300 |
| Totals | |
| Premiums. . . . . . . . . | 2,620,915 |
| Losses. . . . . . . . . . | 367,143 |

**Figure 110.** Summary of Information From Annual Statements - Farm Mutual Insurance Companies: For Calendar Year 1989

| | |
|---|---|
| Ledger Assets December 31, 1988 . . . . . . . | $ 128,349,885 |
| Premium Income . . . . . . . . . . . . . . | 58,392,379 |
| Other Income. . . . . . . . . . . . . . . . | 25,179,739 |
| Total Income. . . . . . . . . . . . . . . . | 83,572,118 |
| Losses Paid to Members. . . . . . . . . . . | 51,694,841 |
| Other Disbursements . . . . . . . . . . . . | 29,950,548 |
| Total Disbursements . . . . . . . . . . . . | 81,645,389 |
| Ledger Assets December 31, 1989 . . . . . . . | 130,276,614 |
| Net Admitted Assets . . . . . . . . . . . . | 132,193,867 |
| Total Liabilities . . . . . . . . . . . . . | 48,510,165 |

# PART V: SBI FINANCIAL REPORT

UNAUDITED

STATE BOARD OF INSURANCE (454) –

## EXHIBIT I

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

August 31, 1990

(With comparative memorandum totals for August 31, 1989)

| | GOVERNMENTAL FUNDS | | FIDUCIARY FUNDS | ACCOUNT GROUPS | |
|---|---|---|---|---|---|
| | GENERAL REVENUE (FUND 001) | SPECIAL REVENUE (EXH A-1) | TRUST AND AGENCY (EXH B-1) | GENERAL FIXED ASSETS | GENERAL LONG-TERM DEBT |
| | $ | $ | $ | $ | $ |
| **ASSETS** | | | | | |
| Cash and Temporary Investments: | | | | | |
| Cash on Hand | | 385 | | | |
| Cash in Banks (Note 3) | 10,500 | 2,789,426 | 25,259 | | |
| Cash in State Treasury | 1,121,090 | 24,454,552 | 27,214,632 | | |
| Short Term Investments | | | | | |
| Receivables: | | | | | |
| Insurance Examination Fees Receivable | | 649,691 | | | |
| Less - Allowance for Doubtful Accts. | | (346,742) | | | |
| Interest and Dividends Receivable | | 11,509 | 95 | | |
| Accounts Receivable | 133 | 1,118,940 | | | |
| Due from Other Funds (Note 9) | | 25,502 | | | |
| Consumable Inventories | | 232,433 | | | |
| Fixed Assets (Note 2): | | | | | |
| Furniture and Equipment | | | | 18,954,367 | |
| Vehicles | | | | 30,754 | |
| Loans and Contracts | | | 1,201,325 | | |
| Allowance for Collection | | | (1,201,325) | | |
| Other Assets | | 10 | | | |
| Amounts to be Provided in Future Years | | | | | 3,587,019 |
| **TOTAL ASSETS** | 1,131,723 | 28,935,706 | 27,239,986 | 18,985,121 | 3,587,019 |
| **LIABILITIES** | | | | | |
| Payables: | | | | | |
| Accounts Payable | 97,590 | 9,279,052 | | | |
| Unallocated and Undistributed Receipts | | | 27,196,704 | | |
| Due to Other Funds (Note 9) | | 35,501 | | | |
| Notes and Loans Payable | | 1,225,000 | | | |
| Employees' Compensable Leave (Note 4 ) | | | | | 3,213,044 |
| Capital Lease Obligations (Note 5) | | | | | 373,975 |
| Funds Held in Custody For Others | | | 17,928 | | |
| **TOTAL LIABILITIES** | 97,590 | 10,539,553 | 27,214,632 | --- | 3,587,019 |
| **FUND EQUITY** | | | | | |
| Investment in General Fixed Assets | | | | 18,985,121 | |
| Fund Balances: | | | | | |
| Reserved for - | | | | | |
| Petty Cash Funds | 500 | 385 | | | |
| Consumable Inventories | | 232,433 | | | |
| Travel Advance Fund | 10,000 | 100,000 | | | |
| Encumbrances (Exh. III) | 12,030 | 1,545,991 | | | |
| Unreserved - Undesignated - | | | | | |
| Available for Subsequent Years | 1,011,603 | 16,517,344 | | | |
| Other | | | 25,354 | | |
| **TOTAL FUND BALANCES (EXH. II)** | 1,034,133 | 18,396,153 | 25,354 | --- | --- |
| **TOTAL FUND EQUITY** | 1,034,133 | 18,396,153 | 25,354 | 18,985,121 | --- |
| **TOTAL LIABILITIES AND FUND EQUITY** | $ 1,131,723 | $ 28,935,706 | $ 27,239,986 | $ 18,985,121 | $ 3,587,019 |

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

| TOTALS<br>(Memorandum Only)<br>1990 | <br><br>1989 |
|---|---|
| $ | $ |
| 385 | 500 |
| 2,825,185 | 1,007,981 |
| 52,790,274 | 36,536,268 |
| --- | 17,500 |
| 649,691 | 763,123 |
| (346,742) | (223,902) |
| 11,604 | 1,706 |
| 1,119,073 | 884,913 |
| 25,502 | 25,500 |
| 232,433 | 212,273 |
| 18,954,367 | 15,444,930 |
| 30,754 | 30,754 |
| 1,201,325 | 1,198,412 |
| (1,201,325) | (1,198,412) |
| 10 | 10 |
| 3,587,019 | 2,696,613 |
| 79,879,555 | 57,398,169 |
| 9,376,642 | 4,631,492 |
| 27,196,704 | 21,106,786 |
| 35,501 | 34,423 |
| 1,225,000 | 1,025,000 |
| 3,213,044 | 2,696,613 |
| 373,975 | --- |
| 17,928 | 3,497 |
| 41,438,794 | 29,497,811 |
| 18,985,121 | 15,475,684 |
| 885 | 1,000 |
| 232,433 | 212,273 |
| 110,000 | 205,000 |
| 1,558,021 | 1,104,328 |
| 17,528,947 | 10,876,940 |
| 25,354 | 25,133 |
| 19,455,640 | 12,424,674 |
| 38,440,761 | 27,900,358 |
| $ 79,879,555 | $ 57,398,169 |

UNAUDITED

STATE BOARD OF INSURANCE (454)

# EXHIBIT II
# COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

For the fiscal year ended August 31, 1990
(With comparative memorandum totals for the fiscal year ended August 31, 1989)

| | GOVERNMENTAL FUNDS | | FIDUCIARY FUNDS | TOTALS (Memorandum Only) | |
|---|---|---|---|---|---|
| | GENERAL REVENUE (FUND 001) | SPECIAL REVENUE (EXH A-2) | EXPENDABLE TRUST (EXH B-2) | 1990 | 1989 |
| | $ | $ | $ | $ | $ |
| **REVENUES** | | | | | |
| Taxes | 1,166,213 | 49,045,663 | | 50,211,876 | 35,453,713 |
| Licenses, Fees, and Permits | | 19,651,835 | | 19,651,835 | 18,646,450 |
| Interest and Investment Income | | 46,341 | 5,993 | 52,334 | 23,631 |
| Sales of Goods and Services | 250 | 389,143 | | 389,393 | 286,425 |
| Other Revenues | 524 | 9,529,182 | 123,328 | 9,653,034 | 6,898,781 |
| **TOTAL REVENUES** | 1,166,987 | 78,662,164 | 129,321 | 79,958,472 | 61,309,000 |
| **EXPENDITURES** | | | | | |
| Salaries and Wages | 513,571 | 42,296,737 | | 42,810,308 | 38,317,818 |
| Payroll Related Costs | 121,439 | 10,908,237 | | 11,029,676 | 9,516,216 |
| Professional Fees and Services (Sch. 1) | 118,181 | 189,814 | | 307,995 | 1,028,567 |
| Travel | 29,737 | 2,258,312 | | 2,288,049 | 2,122,430 |
| Materials and Supplies | 23,340 | 1,480,840 | | 1,504,180 | 1,408,942 |
| Communication and Utilities | 18,192 | 1,061,781 | | 1,079,973 | 1,245,602 |
| Repairs and Maintenance | 16,674 | 617,551 | | 634,225 | 695,447 |
| Rentals and Leases | 38,912 | 2,711,990 | | 2,750,902 | 4,513,929 |
| Printing and Reproduction | 5,310 | 174,290 | | 179,600 | 75,792 |
| Claims and Judgements | | 258,899 | | 258,899 | 185 |
| Other Operating Expenditures | 60,649 | 3,391,492 | 128,974 | 3,581,115 | 3,204,723 |
| Debt Service: | | | | | |
| Principal | | 25,743 | | 25,743 | |
| Interest | | 11,052 | | 11,052 | |
| Capital Outlay | 52,061 | 3,725,586 | | 3,777,647 | 3,621,216 |
| **TOTAL EXPENDITURES** | 998,066 | 69,112,324 | 128,974 | 70,239,364 | 65,750,867 |
| **EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES** | 168,921 | 9,549,840 | 347 | 9,719,108 | (4,441,867) |

# EXHIBIT II (Concluded)

| | GOVERNMENTAL FUNDS | | FIDUCIARY FUNDS | TOTALS (Memorandum Only) | |
|---|---|---|---|---|---|
| | GENERAL REVENUE (FUND 001) | SPECIAL REVENUE (EXH A-2) | EXPENDABLE TRUST (EXH B-2) | 1990 | 1989 |
| | $ | $ | $ | $ | $ |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Operating Transfers In: | | | | | |
| (Agency 454, Fund 999) | | 14,235 | | 14,235 | 21,868 |
| Operating Transfers Out: | | | | | |
| (Agency 454, Fund 999) | | (14,109) | (126) | (14,235) | (21,868) |
| (Agency 304, Fund 001) | | (1,180,447) | | (1,180,447) | (1,289,779) |
| (Agency 303, Fund 001) | | (1,076,604) | | (1,076,604) | (589,569) |
| (Agency 302, Fund 036) | | (205,597) | | (205,597) | (122,493) |
| (Agency 241, Fund 036) | | (648,394) | | (648,394) | --- |
| (Agency 332, Fund 659) | | (1,881) | | (1,881) | --- |
| (Agency 304, Fund 062) | | | | --- | (45,694) |
| (Agency 551, Fund 974) | | | | --- | (100,000) |
| Increase in Travel Advance Fund | 5,000 | | | 5,000 | 5,000 |
| Net Change in Consumable Inventories | | 20,160 | | 20,160 | 93,093 |
| Increase in Obligation - Capital Lease | | 399,718 | | 399,718 | --- |
| Theft of Petty Cash | | (97) | | (97) | --- |
| Adjustments to Assets and Liabilities | | | | --- | (463) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | 5,000 | (2,693,016) | (126) | (2,688,142) | (2,049,905) |
| **EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES** | 173,921 | 6,856,824 | 221 | 7,030,966 | (6,491,772) |
| **FUND BALANCES - BEGINNING OF YEAR** | 860,212 | 11,539,329 | 25,133 | 12,424,674 | 18,916,446 |
| **FUND BALANCES - END OF YEAR (EXH. I)** | $ 1,034,133 | $ 18,396,153 | $ 25,354 | $ 19,455,640 | $ 12,424,674 |

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

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STATE BOARD OF INSURANCE (454)

# EXHIBIT III

# COMPARISON OF FUNDS BUDGETED TO FUNDS APPLIED AND ENCUMBERED

For the fiscal year ended August 31, 1990

| | FUNDS BUDGETED | | | | |
|---|---|---|---|---|---|
| | LEGISLATIVE APPROPRIATIONS AND BALANCES | ADDITIONAL APPROPRIATIONS AND ADJUSTMENTS | APPROPRIATED REVENUES | TRANSFERS BETWEEN APPROPRIATIONS | TOTALS |
| | $ | $ | $ | $ | $ |
| **LEGISLATIVE APPROPRIATIONS** | | | | | |
| **Current Year:** | | | | | |
| **Insurance Operating Fund 036:** | | | | | |
| Board Offices | 1,475,428 | 5,500 | 1,045 | 423,785 | 1,905,758 |
| Commissioner's Office | 1,316,571 | 5,000 | 1,448 | 26,885 | 1,349,904 |
| Administrative Services | 7,013,009 | 5,518 | 403,837 | 4,226,053 | 11,648,417 |
| Regulated Lines & Licensing | 16,500,072 | 51,000 | 187,182 | 155,427 | 16,893,681 |
| Financial | 9,611,024 | 32,500 | 76,960 | 1,634,616 | 11,355,100 |
| Compliance | 5,089,191 | | 32,327 | 230,521 | 5,352,039 |
| State Fire Marshal's Office | 2,765,604 | (274,265) | 129 | 133,401 | 2,624,869 |
| Reprinting of Texas General Basis | | 136,000 | | | 136,000 |
| H.B. 708, 71st Leg., R.S. | | 1,000,000 | | | 1,000,000 |
| Reappropriation of Unexpended Balances | | 1,500,000 | | | 1,500,000 |
| S.B. 255, 71st Leg., R.S. | | 4,876,893 | | (4,828,657) | 48,236 |
| H.B. 116, 71st Leg., 1st C.S. | | 87,990 | | (87,990) | --- |
| S.B. 832, 71st Leg., R.S. | | 105,000 | | (105,000) | --- |
| H.B. 1594, 71st Leg., R.S. | | 71,299 | | (71,299) | --- |
| H.B. 18, 71st Leg., R.S. | | 74,101 | | (74,101) | --- |
| S.B. 1, 71st Leg., 2nd C.S. & S.B. 11, 71st Leg., 6th C.S. | | 664,256 | | | 664,256 |
| S.B. 1, 71st Leg., 2nd C.S. & S.B. 11, 71st Leg., 6th C.S. | | 300,000 | | | 300,000 |
| Retirement Contributions and Related Costs | | 2,663,736 | | | 2,663,736 |
| Employee Insurance Premiums | | 2,493,444 | | | 2,493,444 |
| Social Security - | | | | | |
| Regular | | 2,775,008 | | | 2,775,008 |
| Paid by State on Behalf of Employees | | 1,258,170 | | | 1,258,170 |
| Unemployment Compensation | | 52,611 | | | 52,611 |
| Workers' Compensation | | 34,979 | | | 34,979 |
| Audit Charges | | 14,831 | | | 14,831 |
| Transfer to GR for Building Maintenance | | 1,076,604 | | | 1,076,604 |
| Transfer to GR for Services | | 1,180,447 | | | 1,180,447 |
| Transfer to Child Care Fund | | 1,880 | | | 1,880 |
| Transfer to Comptroller's Judiciary Section | | 648,394 | | | 648,394 |
| Transfer to Attorney General | | 205,548 | | | 205,548 |
| Salary Increase Receiving Account | | 1,663,641 | | (1,663,641) | --- |
| Claim Settlement | | 17,168 | | | 17,168 |
| **Sub-Total Insurance Operating Fund 036** | 43,770,899 | 22,727,253 | 702,928 | --- | 67,201,080 |
| **Consumer Protection Fund 001:** | | | | | |
| Division of Consumer Protection | 986,823 | | 774 | 23,653 | 1,011,250 |
| Retirement Contributions and Related Costs | | 37,725 | | | 37,725 |
| Employee Insurance Premiums | | 26,733 | | | 26,733 |
| Social Security - | | | | | |
| Regular | | 39,702 | | | 39,702 |
| Paid by State on Behalf of Employees | | 17,279 | | | 17,279 |
| Salary Increase Receiving Account | | 23,653 | | (23,653) | --- |
| **Sub-Total Consumer Protection Fund 001** | 986,823 | 145,092 | 774 | --- | 1,132,689 |
| **Total Current Year Appropriations** | 44,757,722 | 22,872,345 | 703,702 | --- | 68,333,769 |
| **Prior Year:** | | | | | |
| **Insurance Operating Fund 036** | 3,036,703 | 9,139 | 64 | | 3,045,906 |
| **Consumer Protection Fund 001** | 127,798 | 441 | | | 128,239 |
| **Total Prior Year Appropriations** | 3,164,501 | 9,580 | 64 | --- | 3,174,145 |
| **Total Appropriations** | $ 47,922,223 | $ 22,881,925 | $ 703,766 | $ --- | $ 71,507,914 |

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

| FUNDS APPLIED AND ENCUMBERED | | | | |
|---|---|---|---|---|
| EXPENDITURES AND OTHER FINANCING USES | APPROPRIATIONS LAPSED | ENCUMBRANCES | TOTALS | VARIANCE |
| $ | $ | $ | $ | $ |
| 1,770,648 | | | 1,770,648 | 135,110 |
| 1,253,661 | | 10,691 | 1,264,352 | 85,552 |
| 10,465,323 | | 400,519 | 10,865,842 | 782,575 |
| 16,564,178 | | 541,510 | 17,105,688 | (212,007) (Note 12) |
| 10,507,135 | | 414,928 | 10,922,063 | 433,037 |
| 5,258,569 | | 14,358 | 5,272,927 | 79,112 |
| 2,601,504 | | 75 | 2,601,579 | 23,290 |
| | | | --- | 136,000 |
| | | | --- | 1,000,000 |
| 1,128,758 | | 163,910 | 1,292,668 | 207,332 |
| | | | --- | 48,236 |
| | | | --- | --- |
| | | | --- | --- |
| | | | --- | --- |
| | | | --- | --- |
| | | | --- | 664,256 |
| | | | --- | 300,000 |
| 2,663,736 | | | 2,663,736 | --- |
| 2,493,444 | | | 2,493,444 | --- |
| 2,775,008 | | | 2,775,008 | --- |
| 1,258,170 | | | 1,258,170 | --- |
| 52,611 | | | 52,611 | --- |
| 34,979 | | | 34,979 | --- |
| 14,831 | | | 14,831 | --- |
| 1,076,604 | | | 1,076,604 | --- |
| 1,180,447 | | | 1,180,447 | --- |
| 1,880 | | | 1,880 | --- |
| 648,394 | | | 648,394 | --- |
| 205,548 | | | 205,548 | --- |
| | | | --- | --- |
| 17,168 | | | 17,168 | --- |
| 61,972,596 | --- | 1,545,991 | 63,518,587 | 3,682,493 |
| 859,554 | | 12,030 | 871,584 | 139,666 |
| 37,725 | | | 37,725 | --- |
| 26,733 | | | 26,733 | --- |
| 39,702 | | | 39,702 | --- |
| 17,279 | | | 17,279 | --- |
| | | | --- | --- |
| 980,993 | --- | 12,030 | 993,023 | 139,666 |
| 62,953,589 | --- | 1,558,021 | 64,511,610 | 3,822,159 |
| 627,163 | 2,418,743 | | 3,045,906 | --- |
| 17,073 | 111,166 | | 128,239 | --- |
| 644,236 | 2,529,909 | — | 3,174,145 | --- |
| $ 63,597,825 | $ 2,529,909 | $ 1,558,021 | $ 67,685,755 | $ 3,822,159 |
| | | (Exh. I) | | (Note A) |

## EXHIBIT III (Concluded)

Note A: Reconciliation of Variance:

| | |
|---|---|
| Variance (Exh. III): | $ 3,822,159 |
| Add: | |
| Investment in General Fixed Assets | 18,985,121 |
| Unappropriated Fund Equity, Local Funds | 149,324 |
| Encumbrances Included in Fund Balance | 1,558,021 |
| Imprest Accounts | 110,885 |
| Reserve for Inventories | 232,433 |
| Unappropriated Fund Balance Available for Subsequent Years | 13,582,818 |
| **Total Fund Equity per Exhibit I, All Funds** | $ 38,440,761 |

## NOTES TO THE FINANCIAL STATEMENTS

### *NOTE 1 - Summary of Significant Accounting Policies*

A. Entity

The State Board of Insurance is provided for in Articles 1.02 - 1.09, *Texas Insurance Code (Vernon 1981 and Supp. 1986)*. The history of the Board dates back to the Texas Constitution of 1876. Since then, the composition of the agency has changed several times. The latest change took place in 1957 when the Board of Insurance Commissioners was abolished and the State Board of Insurance was created. The primary responsibility of the Board is to regulate the insurance industry pursuant to provisions contained in the *Texas Insurance Code*. Our entity is a component of the statewide report which will be audited.

B. Basis of Presentation

The accompanying financial statements of the State Board of Insurance have been prepared to conform with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

C. Fund Structure

The accounts of the agency are presented on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a complete set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The funds and account groups used to reflect the agency's transactions are as follows:

*Governmental Fund Types*

General Fund - The general fund is used to account for all financial resources of the state except those required to be accounted for in another fund. The activities of the Division of Consumer Protection are reported in the General Fund. In previous years these activities were reported with Special Revenue Funds.

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

*Fiduciary Fund Types*

Agency Funds - The agency funds are used to account for assets held as an agent for individuals, other government entities, and/or other funds. These funds are custodial in nature and do not involve measurement of results of operations.

Expendable Trust Funds - Expendable trust funds are used to account for trust funds, the principal and interest of which may be expended in the course of the designated operations.

*Account Groups*

General Fixed Assets Account Group - Fixed assets used by the Agency are accounted for in the General Fixed Asset Account Group. This is a self-balancing management control and accountability listing that does not reflect available financial resources.

General Long-Term Debt Account Group - This account group is used to account for employees' compensable leave expected to be financed in future periods from governmental funds. This is a self-balancing accounting record which does not reflect available financial resources.

D. Memorandum Totals

The total columns on the financial statements are captioned "Memorandum Only" to indicate that they are for informational purposes only. Data in these columns does not present the financial position, results of operations, or changes in financial position in conformity with GAAP, nor is such data comparable to a consolidation.

E. Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. All governmental fund types, expendable trust funds, and agency funds are accounted for on the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available and expenditures are recognized when the related fund liability is incurred. Exceptions are unpaid employee compensable leave and the unmatured debt service on long-term capital leases. which are not recognized until actual payment is made. The principal of this long-term liability is reported in the General Long-Term Debt Account Group.

F. Budgets and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the Governor (the General Appropriations Act). Encumbrance accounting is employed for budgetary control purposes.

Unencumbered appropriations are now generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

G. Assets, Liabilities and Fund Equity

*Assets*

Inventories - Consumable inventories include supplies and postage on hand at year end.

Inventories for governmental funds are accounted for using the purchase method of accounting. The cost of these items is recognized as an expenditure at the time of purchase. These assets are offset by a fund balance reserve which indicates that they do not constitute "available spendable resources."

Fixed Assets - Purchases of fixed assets by governmental or similar trust funds are reported as expenditures. They are capitalized at cost or, if not purchased, at appraised value on the date of acquisition. There is no provision for depreciation or obsolescence of these fixed assets since replacements are financed from current resources.

*Liabilities*

Accounts Payable - Accounts payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Employees' Compensable Leave - Employees' compensable leave represents the liability that the Agency will be required to liquidate in the future for employee vacation time.

Capital Lease Obligations - Capital lease obligations represent the liability for future lease payments under capital lease contracts.

*Reservations/Designations of Fund Equity*

Reserved for Encumbrances - This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

Reserved for Consumable Inventories - This represents the amount of supplies and postage held to be used in the next fiscal year.

Reserved for Imprest Accounts - This represents two travel advance funds, a petty cash fund on deposit in a local bank, and a change fund at the Agency. The travel advance fund is for the purpose of advancing travel monies to those employees who are required to travel on official state business. Monies advanced from this fund are reimbursed when the respective employees' travel vouchers are processed. The petty cash fund is reimbursed as needed but at least quarterly.

Unreserved/Undesignated:

Available for Subsequent Years represents the unappropriated balances of the general fund and special revenue funds at year end.

Other represents the unappropriated balance of expendable trust funds at year end.

*Interfund Transactions and Balances*

Quasi-external Transactions - These transactions would be treated as revenues or expenditures if they involved organizations external to state government. They are accounted for as revenues by the recipient fund and as expenditures by the disbursing fund. The accrual of these transactions is classified as accounts receivable or accounts payable on the balance sheet.

Reimbursements - These transactions represent expenditures or expenses applicable to a particular fund but paid from another fund. The transactions are reported as expenditures or expenses in the reimbursing fund and a reduction of corresponding amounts in the reimbursed fund. The accrual of these transactions is reported as accounts receivable or accounts payable on the balance sheet.

Operating Transfers - These routine transfers of resources are reported in the Other Financing Sources (Uses) section for governmental and expendable trust fund types. The accrual of these transactions is classified as Due From or Due To Other Funds on the balance sheet.

## *NOTE 2: Property, Plant & Equipment*

A summary of changes in General Fixed Assets for the year ended August 31, 1990:

**Figure 111. Changes in General Fixed Assets**

| Asset Type | Balance 9-1-89 | Additions | Deletions | Balance 8-31-90 |
|---|---|---|---|---|
| Furniture and Equipment | $15,444,930 | $3,719,171 | $209,734 | $18,954,367 |
| Vehicles | 30,754 | -- | -- | 30,754 |
| TOTALS | $15,475,684 | $3,719,171 | $209,734 | $18,985,121 |
| | | | | (Exh.I) |

## *NOTE 3: Deposits*

Deposits are carried at cost in the financial statements. The carrying amount of deposits is shown in Exhibit I as Cash in Bank. The Agency invests funds in a local bank account for travel advance and petty cash purposes. The Liquidation Division invests funds in a local bank for the Trustee Account, Abandoned Property Account, Liquidator's Administrative Account, Payroll Account, General Expense Account, and Claims Clearing Account.

**Figure 112. Deposits**

| Carrying Amount | Bank Balance | Category 1 | Category 2 | Category 3 |
|---|---|---|---|---|
| $ 2,825,185 | $ 3,192,665 | $ 3,192,665 | $ 0 | $ 0 |

Category 1 represents balances either fully covered by federal depository insurance or secured by collateral held by the Agency's agent in the Agency's name.

## *NOTE 4: Employees Compensable Leave*

The Agency is liable for all unused vacation time accrued by its employees in the event of their resignation, dismissal or separation from state employment provided they have had continuous employment with the State for six months. In addition, the State must grant employees time off or pay employees at a rate of one and one-half times the regular rate of pay for any overtime worked. However, executive, administrative, or professional employees are expressly limited to equivalent compensatory time off. The liability of governmental fund types is recorded in the General Long-Term Debt Account Group.

The following is a summary of changes in employees' annual and compensatory leave balances:

**Figure 113. Changes in Employees' Annual and Compensatory Leave Balances**

| | Annual Leave | FLSA & State Comp Time | TOTALS |
|---|---|---|---|
| Compensable Leave Hours (9-1-90) | 168,426 | 57,251 | 225,677 |
| Additions - Increases | 171,509 | 108,713 | 280,222 |
| Deductions - Decreases | (154,728) | ( 99,365) | (254,093) |
| Compensable Leave Hours (8-31-90) | 185,207 | 66,599 | 251,806 |

The Agency's monetary liability for compensable future absences as of August 31, 1990, as computed by multiplying the above ending balances by the year-end average hourly salary rate for all employees, is as follows:

**Figure 114. The Agency's Monetary Liability for Compensable Future Absences**

| | General Long-Term Debt Account Group |
|---|---|
| Annual Leave | $ 2,363,241 |
| FLSA & State Comp. Time | 849,803 |
| Total (Exh. I) | $ 3,213,044 |

## *NOTE 5: Capital Leases*

The Agency has entered into long-term leases for financing the purchase of certain fixed assets. Such leases are classified as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments at the inception of the leases. The following is a summary of original capitalized cost of all such property under lease at August 31, 1990:

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**Figure 115. Capital Leases**

| | General Fixed Assets Account Group |
|---|---|
| Furniture and Equipment | $ 399,718 |

Future minimum lease payments under these capital leases, together with the present value of the net minimum lease payments at August 31, 1990, are as follows:

**Figure 116. Future Minimum Lease Payments**

| | General Long-Term Debt Account Group |
|---|---|
| 1991 | $ 119,444 |
| 1992 | 97,158 |
| 1993 | 97,158 |
| 1994 | 97,158 |
| 1995 | 38,615 |
| Total Minimum Lease Payments | 449,533 |
| Less: Interest | (75,558) |
| Present Value of Net Minimum Lease Payments (Exh. 1) | $ 373,957 |

**NOTE 6: *Operating Lease Obligations***

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating leases:

**Figure 117. Operating Lease Obligations**

| | |
|---|---|
| General Fund | $ 37,087 |
| Special Revenue Funds | $ 2,185,810 |
| | $ 2,222,897 |

Future minimum lease rental payments under noncancelable operating leases having an initial term in excess of one year are as follows:

Figure 118. Future Minimum Lease Rental Payments

| Year Ended August 31, | |
|---|---|
| 1991 | $ 1,468,029 |
| 1992 | 353,150 |
| 1993 | 308,013 |
| 1994 | 308,013 |
| 1995 | 253,845 |
| 1996 | 45,885 |
| Total Minimum Future Lease Rental Payments | $ 2,736,935 |

### *NOTE 7: Employees Retirement Plans*

The State has joint contributory retirement plans for substantially all its of employees. The Agency participates in the plans administered by the Employees Retirement System of Texas. Future pension costs are the liabilities of the Retirement System. The System does not account for each state agency separately. Annual financial reports prepared by the System include audited financial statements and actuarial assumptions and conclusions.

The actuarial valuation of the Employees Retirement System as of August 31, 1989, reflects an overfunded actuarial accrued liability. When the system is overfunded, there is no amortization period for unfunded actuarial accrued liabilities. The contribution rates of employees (6%) and the State (7.4%) are set by the State Legislature.

Total payments by the State, related to this Agency for the year ended August 31, 1990, were $3,133,006.

### *NOTE 8: Deferred Compensation*

At August 31, 1990, eighty-five employees of the Agency were participating in the State's Deferred Compensation Program. This program allows employees to defer a portion of their monthly salary for income tax and investment purposes. During the 1990 fiscal year $317,726 was withheld from employees' salaries to be invested in approved plans as designated by the employee. The State has no additional or unfunded liability for this program.

### *NOTE 9: Interfund Receivables and Payables*

As explained in Note 1 on Interfund Transactions and Balances there are numerous transactions between funds and agencies. At year-end, amounts to be received or paid are reported as Due From or Due To Other Funds. Individual interfund receivable and payable balances at August 31, 1990 were as follows:

**Figure 119. Interfund Receivables and Payables**

| | Due From Other Funds | Due To Other Funds |
|---|---|---|
| Special Revenue: | | |
| (Agency 302, Fund 036) | $ | $ 9,529 |
| (Agency 332, Fund 659) | | 470 |
| (Agency 454, Fund 999) | 25,502 | 25,502 |
| Totals (Exh. I) | $ 25,502 | $ 35,501 |

### *NOTE 10: Securities on Deposit*

Article 3.16 of the Insurance Code requires any life insurance company incorporated under the laws of the State to deposit with the Board either securities or cash "equal to the legal reserve" on the company's outstanding registered policies and annuity bonds. The balance of these deposits at August 31, 1990, was $240,707,967. Currently all deposits are under the supervision of the Board's Director of Accounting who maintains the securities either in physical form in bank deposit boxes or maintains custodial agreements with such securities in book entry form on deposit with a clearing corporation or safekeeping receipts as evidence of deposits with member banks of the Federal Reserve System. All additions or withdrawals in the deposits must be made at the insurance company's written request and are monitored for legality. Securities eligible for deposit include various types of bonds, certificates of deposit, certain types of stock, titles or deeds of property, and first-lien notes on real estate or personal property. These amounts do not appear on the financial statements presented herein.

The Insurance Code also requires insurance companies in various lines of insurance to have cash or eligible securities on deposit with an approved custodian as security for policyholders either under a Joint Control Agreement with the Board or maintained at the State Treasury. Life, Fire and Casualty, and Mutual Assessment Companies are required to deposit eligible securities in the State Treasury after receiving approval from the Commissioner of Insurance. Any changes in monies and/or securities deposited must also be approved by the State Board of Insurance. Article 7.15 of the *Texas Insurance Code* required Surety and Trust Companies to have an approved deposit with the Board. Although repealed in 1957 by the Fifty-fifth Legislature for new policies, deposits still must be maintained in those instances where a company has a possibility of outstanding claims or obligations. Lloyd's companies are required to deposit securities with an approved financial institution subject to joint control of attorney. Joint control of attorney requires that a joint control agreement be made between the company, the financial institution and the State Board of Insurance in which no change in deposits may be made without approval from all three parties. Eligible investments for deposits include various types of bonds, first-lien notes on real estate or personal property, certificates of deposits, and certain types of stocks. The joint control deposits and the deposits maintained in the State Treasury are supervised by a State Board of Insurance employee. Following is the market value of the deposits at August 31, 1990.

**Figure 120. Market Value of the Deposits as of August 31, 1990:**

| | |
|---|---|
| Under Joint Control Agreement | $ 36,483,356 |
| On Deposit in State Treasury | 302,239,680 |
| Total | $338,723,036 |

### *NOTE 11: Related Parties*

Three non-profit guaranty associations - the Texas Property and Casualty, the Texas Life, Accident, Health and Hospital, and the Texas Title Guaranty Association - loan money to the various insurance companies in liquidation to pay for claims and administrative costs of the receiverships. If any money is left when a receivership is closed out, then the respective guaranty association is repaid. At August 31, 1990, the loans outstanding totalled $1,225,000. The associations' funds are administered by the State Board of Insurance under approval of the Secretary-Treasurer of the respective association.

The salaries and expenses of five employees of the State Board of Insurance who investigate title companies are reimbursed monthly by the Texas Title Guaranty Association.

### *NOTE 12: Stewardship, Compliance and Accountability*

Exhibit III reflects a negative variance of $212,007 in the Regulated Lines and Licensing appropriation due to the expenditures exceeding the appropriation. The State Board of Insurance has the authority to transfer up to 10% between items of appropriation. In fiscal year 1991, a transfer will be made to offset this deficit.

### *NOTE 13: Contingent Liability*

Sick leave, the accumulation of which is unlimited, is earned at the rate of eight hours per month and is paid to the employee only in case of illness or to the employee's estate in the event of his/her death while employed by the Board. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement or 336 hours, whichever is less. The Agency's policy is to recognize the cost of any sick leave when paid. No liability is recorded in the General Long-Term Debt Account Group since experience indicates the probability of a material effect on any given year's operations, as a result of death or abnormally high rate of illness, is minimal.

At August 31, 1990, there were 791 companies which had paid maintenance taxes, premium taxes, surtaxes and various other fees under protest and/or filed suits with the State Board of Insurance. Total protested deposits amounted to $329,172,799 of which $327,210,514 were on deposit in the State's Unappropriated General Revenue Fund, $1,014,161 in the Insurance Operating Fund and $948,124 in the Suspense Fund. The outcome of this litigation is indeterminate. Any refunds that may be ordered by the courts will be refunded from the fund of the original deposit.

The State's Attorney General has notified the Agency that two cases, challenging the administrative services tax and the third party administrators maintenance tax, have been settled in favor of the plantiffs and will not be appealed. The amount of the liability cannot be determined at this time and no accrual has been made in the financial statements.

### *NOTE 14: Continuance Subject To Review*

On August 29, 1977, the Board became subject to the provisions of S.B. 54, *Acts of the 65th Legislature* titled the "Texas Sunset Act". The Agency will be abolished effective September 1, 1993, per S.B. 265, *Acts of the 71st Legislature* unless specifically continued by legislative action. If abolished, the agency may continue until September 1, 1994, to close out its operations.

## EXHIBIT A-1
## COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

August 31, 1990
(With comparative totals for August 31, 1989)

| | INSURANCE BOARD OPERATING FUND (FUND 036) | LIQUIDATOR'S ADMINISTRATIVE ACCOUNT (FUND 999) | PAYROLL ACCOUNT (FUND 999) | GENERAL EXPENSE ACCOUNT (FUND 999) | CLAIMS CLEARING ACCOUNT (FUND 999) |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **ASSETS** | | | | | |
| Cash and Temporary Investments: | | | | | |
| Cash on Hand | 385 | | | | |
| Cash in Banks | 100,000 | 1,115,828 | 640,597 | 925,702 | 7,299 |
| Cash in State Treasury | 24,454,552 | | | | |
| Receivables: | | | | | |
| Insurance Examination Fees Receivable | 649,691 | | | | |
| Less-Allowance for Doubtful Accounts | (346,742) | | | | |
| Interest and Dividends Receivable | | 2,784 | 1,403 | 5,643 | 1,679 |
| Accounts Receivable | 20,743 | 60,226 | 810,023 | 227,948 | |
| Due from Other Funds | | 15,502 | | 10,000 | |
| Consumable Inventories | 232,433 | | | | |
| Other Assets | | 10 | | | |
| **TOTAL ASSETS** | 25,111,062 | 1,194,350 | 1,452,023 | 1,169,293 | 8,978 |
| **LIABILITIES** | | | | | |
| Payables: | | | | | |
| Accounts Payable | 6,828,880 | 1,068,977 | 671,999 | 708,993 | 203 |
| Due to Other Funds | 9,999 | 25,000 | | 2 | 500 |
| Notes and Loans Payable | | 50,000 | 775,000 | 400,000 | |
| **TOTAL LIABILITIES** | 6,838,879 | 1,143,977 | 1,446,999 | 1,108,995 | 703 |
| **FUND EQUITY** | | | | | |
| Fund Balances: | | | | | |
| Reserved for - | | | | | |
| Petty Cash Funds | 385 | | | | |
| Consumable Inventories | 232,433 | | | | |
| Travel Advance Fund | 100,000 | | | | |
| Encumbrances | 1,545,991 | | | | |
| Unreserved - Undesignated - Available for Subsequent Years | 16,393,374 | 50,373 | 5,024 | 60,298 | 8,275 |
| **TOTAL FUND EQUITY (EXH. A-2)** | 18,272,183 | 50,373 | 5,024 | 60,298 | 8,275 |
| **TOTAL LIABILITIES AND FUND EQUITY** | $ 25,111,062 | $ 1,194,350 | $ 1,452,023 | $ 1,169,293 | $ 8,978 |

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

| TOTALS | |
|---|---|
| (EXH I)<br>1990 | 1989 |
| $ | $ |
| 385 | 500 |
| 2,789,426 | 994,883 |
| 24,454,552 | 14,492,608 |
| 649,691 | 763,123 |
| (346,742) | (223,902) |
| 11,509 | 1,671 |
| 1,118,940 | 884,913 |
| 25,502 | 25,500 |
| 232,433 | 212,273 |
| 10 | 10 |
| 28,935,706 | 17,151,579 |
| 9,279,052 | 4,552,827 |
| 35,501 | 34,423 |
| 1,225,000 | 1,025,000 |
| 10,539,553 | 5,612,250 |
| 385 | 500 |
| 232,433 | 212,273 |
| 100,000 | 200,000 |
| 1,545,991 | 1,087,301 |
| 16,517,344 | 10,039,255 |
| 18,396,153 | 11,539,329 |
| $ 28,935,706 | $ 17,151,579 |

STATE BOARD OF INSURANCE (454)

## EXHIBIT A-2

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS

For the fiscal year ended August 31, 1990
(With comparative totals for the fiscal year ended August 31, 1989)

| | INSURANCE BOARD OPERATING FUND (FUND 036) | LIQUIDATOR'S ADMINISTRATIVE ACCOUNT (FUND 999) | PAYROLL ACCOUNT (FUND 999) | GENERAL EXPENSE ACCOUNT (FUND 999) |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **REVENUES** | | | | |
| Taxes | 49,045,663 | | | |
| Licenses, Fees, and Permits | 19,651,835 | | | |
| Interest and Investment Income | | 6,538 | 11,492 | 14,939 |
| Sales of Goods and Services | 389,143 | | | |
| Other Revenues | 344,349 | 295,421 | 7,514,631 | 1,374,781 |
| **TOTAL REVENUES** | 69,430,990 | 301,959 | 7,526,123 | 1,389,720 |
| **EXPENDITURES** | | | | |
| Salaries and Wages | 35,922,064 | | 5,903,070 | 471,603 |
| Payroll Related Costs | 9,287,673 | | 1,614,100 | 6,464 |
| Professional Fees and Services | 147,610 | 2,667 | | 39,537 |
| Travel | 2,243,775 | 541 | | 13,996 |
| Materials and Supplies | 1,213,194 | | | 267,646 |
| Communication and Utilities | 925,576 | | | 136,205 |
| Repairs and Maintenance | 605,790 | 4,350 | | 7,411 |
| Rentals and Leases | 2,464,284 | | | 247,706 |
| Printing and Reproduction | 163,572 | | | 10,718 |
| Claims and Judgements | 17,168 | 241,731 | | |
| Other Operating Expenditures | 3,229,352 | 57,181 | | 104,959 |
| Debt Service: | | | | |
| Principal | | | | 25,743 |
| Interest | 2,706 | | | 8,346 |
| Capital Outlay | 3,264,071 | 33,709 | | 427,806 |
| **TOTAL EXPENDITURES** | 59,486,835 | 340,179 | 7,517,170 | 1,768,140 |
| **EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES** | 9,944,155 | (38,220) | 8,953 | (378,420) |

| CLAIMS CLEARING ACCOUNT (FUND 999) | TOTALS | |
|---|---|---|
| | (EXH II) 1990 | 1989 |
| $ | $ | $ |
| | 49,045,663 | 34,504,751 |
| | 19,651,835 | 18,646,450 |
| 13,372 | 46,341 | 21,923 |
| | 389,143 | 286,425 |
| | 9,529,182 | 6,897,813 |
| 13,372 | 78,662,164 | 60,357,362 |
| | 42,296,737 | 37,931,253 |
| | 10,908,237 | 9,425,979 |
| | 189,814 | 953,754 |
| | 2,258,312 | 2,100,462 |
| | 1,480,840 | 1,392,716 |
| | 1,061,781 | 1,233,207 |
| | 617,551 | 683,654 |
| | 2,711,990 | 4,439,178 |
| | 174,290 | 75,107 |
| | 258,899 | 185 |
| | 3,391,492 | 3,126,883 |
| | 25,743 | --- |
| | 11,052 | --- |
| | 3,725,586 | 3,549,755 |
| --- | 69,112,324 | 64,912,133 |
| 13,372 | 9,549,840 | (4,554,771) |

## EXHIBIT A-2 (Concluded)

| | INSURANCE BOARD OPERATING FUND (FUND 036) | LIQUIDATOR'S ADMINISTRATIVE ACCOUNT (FUND 999) | PAYROLL ACCOUNT (FUND 999) | GENERAL EXPENSE ACCOUNT (FUND 999) |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Operating Transfers In: | | | | |
| (Agency 454, Fund 999) | | 14,235 | | |
| Operating Transfers Out: | | | | |
| (Agency 454, Fund 999) | | | (4,309) | (4,489) |
| (Agency 304, Fund 001) | (1,180,447) | | | |
| (Agency 303, Fund 001) | (1,076,604) | | | |
| (Agency 302, Fund 036) | (205,597) | | | |
| (Agency 241, Fund 036) | (648,394) | | | |
| (Agency 332, Fund 659) | (1,881) | | | |
| (Agency 304, Fund 062) | | | | |
| (Agency 551, Fund 974) | | | | |
| Net Change in Consumable Inventories | 20,160 | | | |
| Increase in Obligation - Capital Leases | | | | 399,718 |
| Theft of Petty Cash | (97) | | | |
| Adjustments to Assets and Liabilities | | | | |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (3,092,860) | 14,235 | (4,309) | 395,229 |
| **EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES** | 6,851,295 | (23,985) | 4,644 | 16,809 |
| **FUND BALANCES - SEPTEMBER 1, 1989** | 11,420,888 | 74,358 | 380 | 43,489 |
| **FUND BALANCES - AUGUST 31, 1990 (EXH. A-1)** | $ 18,272,183 | $ 50,373 | $ 5,024 | $ 60,298 |

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

| CLAIMS CLEARING ACCOUNT (FUND 999) | TOTALS (EXH II) 1990 | TOTALS 1989 |
|---|---|---|
| $ | $ | $ |
| | 14,235 | 21,868 |
| (5,311) | (14,109) | (20,251) |
| | (1,180,447) | (1,289,779) |
| | (1,076,604) | (589,569) |
| | (205,597) | (122,493) |
| | (648,394) | --- |
| | (1,881) | --- |
| | --- | (45,694) |
| | --- | (100,000) |
| | 20,160 | 93,093 |
| | 399,718 | --- |
| | (97) | --- |
| | --- | (179) |
| (5,311) | (2,693,016) | (2,053,004) |
| 8,061 | 6,856,824 | (6,607,775) |
| 214 | 11,539,329 | 18,147,104 |
| $ 8,275 | $ 18,396,153 | $ 11,539,329 |

# EXHIBIT B-1
# COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES

August 31, 1990
(With comparative totals for August 31, 1989)

| | EXPENDABLE TRUST FUNDS | | AGENCY FUNDS | |
|---|---|---|---|---|
| | TRUSTEE ACCOUNT (FUND 999) | ABANDONED PROPERTY FUND (FUND 999) | DEPARTMENTAL SUSPENSE ACCOUNT (FUND 900) | UNCLAIMED DIVIDEND TRUST ACCOUNT (FUND 923) |
| | $ | $ | $ | $ |
| **ASSETS** | | | | |
| Cash and Temporary Investments: | | | | |
| Cash in Banks | 24,786 | 473 | | |
| Cash in State Treasury | | | 27,196,704 | 17,928 |
| Short Term Investments | | | | |
| Receivables: | | | | |
| Interest and Dividends Receivable | 56 | 39 | | |
| Loans and Contracts | | 1,201,325 | | |
| Allowance for Collection | | (1,201,325) | | |
| **TOTAL ASSETS** | 24,842 | 512 | 27,196,704 | 17,928 |
| **LIABILITIES** | | | | |
| Unallocated and Undistributed Receipts | | | 27,196,704 | |
| Funds Held in Custody for Others | | | | 17,928 |
| **TOTAL LIABILITIES** | --- | --- | 27,196,704 | 17,928 |
| **FUND EQUITY** | | | | |
| Unreserved - Undesignated - Other | 24,842 | 512 | | |
| **TOTAL FUND EQUITY (EXH. B-2)** | 24,842 | 512 | --- | --- |
| **TOTAL LIABILITIES AND FUND EQUITY** | $ 24,842 | $ 512 | $ 27,196,704 | $ 17,928 |

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

UNAUDITED

| TOTALS | |
|---|---|
| (EXH I)<br>1990 | 1989 |
| $ | $ |
| 25,259 | 7,598 |
| 27,214,632 | 21,110,283 |
| --- | 17,500 |
| 95 | 35 |
| 1,201,325 | 1,198,412 |
| (1,201,325) | (1,198,412) |
| 27,239,986 | 21,135,416 |
| 27,196,704 | 21,106,786 |
| 17,928 | 3,497 |
| 27,214,632 | 21,110,283 |
| 25,354 | 25,133 |
| 25,354 | 25,133 |
| $ 27,239,986 | $ 21,135,416 |

UNAUDITED

STATE BOARD OF INSURANCE (454)

## EXHIBIT B-2

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - EXPENDABLE TRUST FUNDS

For the fiscal year ended August 31, 1990
(With comparative totals for the fiscal year ended August 31, 1989)

| | TRUSTEE ACCOUNT (FUND 999) | ABANDONED PROPERTY FUND (FUND 999) | TOTALS | |
|---|---|---|---|---|
| | | | (EXH II) 1990 | 1989 |
| | $ | $ | $ | $ |
| **REVENUES** | | | | |
| Interest and Investment Income | 1,578 | 4,415 | 5,993 | 1,708 |
| Other Revenues | | 123,328 | 123,328 | --- |
| **TOTAL REVENUES** | 1,578 | 127,743 | 129,321 | 1,708 |
| **EXPENDITURES** | | | | |
| Other Operating Expenditures | | 128,974 | 128,974 | --- |
| **TOTAL EXPENDITURES** | --- | 128,974 | 128,974 | --- |
| **EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES** | 1,578 | (1,231) | 347 | 1,708 |
| **OTHER FINANCING (USES)** | | | | |
| Operating Transfers Out: (Agency 454, Fund 999) | (126) | | (126) | (1,617) |
| Adjustments to Assets and Liabilities | | | --- | (284) |
| **TOTAL OTHER FINANCING (USES)** | (126) | --- | (126) | (1,901) |
| **EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES** | 1,452 | (1,231) | 221 | (193) |
| **FUND BALANCES - BEGINNING OF YEAR** | 23,390 | 1,743 | 25,133 | 25,326 |
| **FUND BALANCES - END OF YEAR (EXH. B-1)** | $ 24,842 | $ 512 | $ 25,354 | $ 25,133 |

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

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STATE BOARD OF INSURANCE (454)

# EXHIBIT B-3
# COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

For the fiscal year ended August 31, 1990

| | BALANCES SEPTEMBER 1, 1989 | ADDITIONS (Sch. 3) | DEDUCTIONS (Sch. 3) | BALANCES AUGUST 31, 1990 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **DEPARTMENTAL SUSPENSE ACCOUNT** | | | | |
| **ASSETS** | | | | |
| Cash | 21,106,786 | 587,561,335 | 581,471,417 | 27,196,704 |
| **LIABILITIES** | | | | |
| Unallocated and Undistributed Receipts | 21,106,786 | 587,561,335 | 581,471,417 | 27,196,704 |
| **EMPLOYEES' SAVINGS BOND ACCOUNT** | | | | |
| **ASSETS** | | | | |
| Cash | --- | 93,088 | 93,088 | --- |
| **LIABILITIES** | | | | |
| Funds Held in Custody for Others | --- | 93,088 | 93,088 | --- |
| **UNCLAIMED DIVIDEND TRUST ACCOUNT** | | | | |
| **ASSETS** | | | | |
| Cash | 3,497 | 14,605 | 174 | 17,928 |
| **LIABILITIES** | | | | |
| Funds Held in Custody for Others | 3,497 | 14,605 | 174 | 17,928 |
| **TOTALS - ALL AGENCY FUNDS** | | | | |
| **ASSETS** | | | | |
| Cash | 21,110,283 | 587,669,028 | 581,564,679 | 27,214,632 |
| **LIABILITIES** | | | | |
| Unallocated and Undistributed Receipts | 21,106,786 | 587,561,335 | 581,471,417 | 27,196,704 |
| Funds Held in Custody for Others | 3,497 | 107,693 | 93,262 | 17,928 |
| **TOTAL LIABILITIES** | $ 21,110,283 | $ 587,669,028 | $ 581,564,679 | $ 27,214,632 |

The accompanying Notes to the Financial Statements are an integral part of this financial statement.

## ADDENDUM - General Comments

1. The Board consists of three full-time members appointed by the Governor with the advice and consent of the Senate. Members serve six-year overlapping terms. Following are the members at August 31, 1990, their term expiration dates and annual salary rates:

**Figure 121. Board Members: The Expiration Dates of their Terms of Office and Annual Salary Rates as of August 31, 1990**

| Name | Address (Texas) | Term Expires | Annual Salary Rate |
|---|---|---|---|
| James E. Saxton, Jr., Chairman | Austin | 1-31-95 (B) | $ 71,400 |
| Richard F. Reynolds | Flower Mound | 1-31-93 | 71,640 (A) |
| Jo Ann Howard | Austin | 1-31-91 | 71,400 |

*Note A: Includes annual longevity payments.*

*Note B: James E. Saxton, Jr. was appointed by the Governor to complete Paul T. Wrotenbery's term of office effective April 2, 1990.*

2. Board employees, Liquidation Activity employees, the Commissioner and Board Members are bonded up to $10,000 each by a public employee blanket honesty bond issued by The Fidelity and Deposit Company. In accordance with Article 21.28, Section 12(a), *Texas Insurance Code*, the Liquidator, Stephen Durish, is required to be covered by a $10,000 public official bond. As a result of an oral order of the 200th District Court, Travis County, on August 9, 1978, the bond of the Liquidator was increased to $200,000 effective September 1, 1978. This bond is issued by the AETNA Casualty and Surety Company.

3. The State Board of Insurance's main offices are located in these state office buildings:

**Figure 122. Location of the State Board of Insurance's Main Offices**

| Location (Austin) | Square Feet | Maintenance Cost per Square Foot per Month |
|---|---|---|
| 1110 San Jacinto | 70,730 | .84 (A) |
| 211 East 11th | 36,074 | .84 (A) |
| 333 Guadalupe | 216,615 | See Leased Space |

*Note A: A transfer of $1,076,604 to the State Purchasing and General Services Commission was made during the year for the maintenance and operation of these two state owned buildings.*

Space is leased for other uses throughout the State as shown on the following page.

**Figure 123. Summary of Leased Space**

## SUMMARY OF LEASED SPACE

| LOCATION (Texas) | LESSOR | USE | SQUARE FEET | COST PER SQUARE FOOT PER MONTH | ANNUAL RENT (A) |
|---|---|---|---|---|---|
| | | | | | $ |
| Abilene | Bank of Commerce | Fire Raters' Ofc | 190 | 0.65 | 1,482 |
| Amarillo | Greiner-Madison Ptr. | Fire Raters' Ofc | 190 | 0.72 | 1,642 |
| Angleton | Commerce Savings Assc | Windstorm Ofc | 1,425 | 0.77 | 13,200 |
| Arlington | Arlington Downs Tower | Examinations' Ofc | 900 | 0.68 | 7,394 |
| Austin | DPC, Inc | Main Office | 216,615 | 1.00 (B) | 1,805,684 |
| Austin | Powell-Houston Prop. | Warehouse | 15,000 | 0.20 | 30,000 |
| Austin | Byron Properties | Liq. Warehouse | 32,500 | 0.20 | 79,200 |
| Austin | Austin Data Archives | Liq. Warehouse | 36 | 0.25 | 72 |
| Austin | MRealty Corporation | Liq. Warehouse | 14,400 | 0.03 | 5,400 |
| Austin | Powell-Houston Prop. | Liq. Warehouse | 62,400 | 0.25 | 62,000 |
| Bay City | Western Gulf S&L | Windstorm Ofc | 855 | 1.00 | 10,260 |
| Beaumont | W. E. Wilson Jr. | Fire Raters' Ofc | 380 | 0.75 | 3,305 |
| Beaumont | Brandon Barron | Windstorm Ofc | 1,000 | 0.71 | 8,483 |
| College Station | 303 Anderson Co | Fire Raters' Ofc | 184 | 0.80 | 1,480 |
| Corpus Christi | Gulftex Ventures, Inc | Fire Marshal's Ofc | 800 | 0.77 | 7,323 |
| Corpus Christi | G. L. Mathieu | Fire Raters' Ofc | 290 | 0.88 | 2,991 |
| Corpus Christi | Arc-Wilson Assc | Windstorm Ofc | 2,407 | 0.78 | 22,530 |
| Dallas | Western Gulf S&L | Fire Raters' Ofc | 1,024 | 0.80 | 9,239 |
| Duncanville | Leonard B. Carpenter | Fire Marshal's Ofc | 1,621 | 0.93 | 17,993 |
| El Paso | The Koger Company | Fire Raters' Ofc | 180 | 1.14 | 1,645 |
| El Paso | David Leeper | Fier Raters' Ofc | 180 | 0.81 | 173 |
| Fort Worth | Sun Life Assurance Company of Canada | Fire Raters' Ofc | 660 | 0.68 | 5,400 |
| Galveston | United States Nat'L Bank | Windstorm Ofc | 2,735 | 1.05 | 37,042 |
| Harlingen | M. H. & G. L. Sondock | Fire Raters' Ofc | 320 | 0.41 | 260 |
| Harlingen | Valley Mortgage | Windstorm Ofc | 1,375 | 0.65 | 10,478 |
| Harlingen | NCNB Texas Nat'l Bank | Fire Raters' Ofc | 380 | 1.01 | 3,850 |
| Houston | WPI 88 Partners, Ltd | Examinations' Ofc | 700 | 0.65 | 5,460 |
| Houston | Lamesa Properties, Ltd | Fire Raters' Ofc | 977 | 0.79 | 9,208 |
| Houston | EDC Storage | Liq. Warehouse | 900 | 0.23 | 1,624 |
| Lubbock | Sentry Savings Assc | Fire Marshal's Ofc | 800 | 0.70 | 6,690 |
| Lubbock | Bluebonnet Savings Bank FSB | Fire Raters' Ofc | 400 | 0.83 | 4,000 |
| Lufkin | Berta W. Gann | Fire Marshal's Ofc | 980 | 0.56 | 6,615 |
| Midland | Innson Corp. | Fire Raters' Ofc | 490 | 0.62 | 3,607 |
| Port Lavaca | W.S.P. Construction Co | Windstorm Ofc | 550 | 1.00 | 6,600 |
| San Angelo | Elizabeth Schneemann | Windstorm Ofc | 250 | 0.47 | 234 |
| San Angelo | T. N. Price Company | Fire Raters' Ofc | 190 | 1.19 | 2,268 |
| San Antonio | Trio Partners, Ltd | Examinations' Ofc | 700 | 0.73 | 6,097 |
| San Antonio | Carl Duncan | Fire Raters' Ofc | 668 | 0.85 | 5,681 |
| Sherman | Greater Texoma Corp | Fire Raters' Ofc | 285 | 0.85 | 2,907 |
| Texarkana | Annabelle Chasteen | Fire Raters' Ofc | 170 | 0.88 | 900 |
| Texarkana | Richmond Development | Fire Raters' Ofc | 190 | 0.92 | 1,050 |
| Tyler | Tyler National Bank | Fire Raters' Ofc | 500 | 0.60 | 600 |
| Tyler | Murray Federal S&L | Fire Raters' Ofc | 570 | 0.61 | 3,450 |
| Victoria | R & B Properties | Fire Raters' Ofc | 185 | 0.95 | 2,320 |
| Waco | Stephen P. Hill | Fire Raters' Ofc | 450 | 0.71 | 3,859 |
| Wichita Falls | H. J. Marks et al | Fire Raters' Ofc | 150 | 0.67 | 201 |
| Wichita Falls | First Indiana Co, Ltd | Fire Raters' Ofc | 150 | 0.67 | 1,000 |
| TOTALS | | | 368,302 | | $ 2,222,897 |

(A) Shows actual amount paid which may or may not be for a full 12 months.

(B) Cost per square foot over life of lease.

UNAUDITED

STATE BOARD OF INSURANCE (454)

## SCHEDULE 1
## SUMMARY OF PROFESSIONAL FEES AND SERVICES

For The Fiscal Year Ended August 31, 1990

| PAYEE | DESCRIPTION | TOTAL |
|---|---|---|
| | | $ |
| AIS Risk Consultants | Actuarial Consulting Services | 105,848 |
| Albert B. Lewis | Anti-Fraud Symposium Guest Speaker | 653 |
| Attorney General's Office | Legal Services | 13,000 |
| Bankston, Wright & Greenhill | Legal Services | 2,369 |
| Barron, Newburger & Rowe | Legal Services | 1,787 |
| Bickerstaff, Heath & Smiley | Legal Services | 307 |
| Blazier, Rutland & Lerner | Legal Services | 5,287 |
| Cora Gratten | Scanning Services | 22 |
| Davis, Welch, Eubank & Otto | Legal Services | 41 |
| Douglass Consulting Service | Data Processing Strategic Planning | 2,000 |
| EMS | CPR Training | 600 |
| Eric C. Tanner | Records Management Consulting | 688 |
| Ernst & Young | Audit, Tax and Accounting Services | 16,015 |
| Frank Sayre & Associates | Consultation On Computer Training Lab | 150 |
| Insureware Pty Limited | ICRFS Software Training | 2,500 |
| Jerry Fleming P.E. | Electrical Services | 1,200 |
| Joe Pitts | Assistance At Rate Hearing | 211 |
| Joseph C Gagen | Consulting Services | 300 |
| Katherine Staples | Writing Seminars | 7,663 |
| KPMG Peat Marwick | Expert Witness | 437 |
| Linda Doehne | Technique Of Structured Writing Seminar | 9,945 |
| Madden Securities Corp | Expert Witness | 2,328 |
| Manatt, Phelps, Rothenberg & Philips | Legal Services | 40,000 |
| McCamish, Martin, Brown & Loeffler | Legal Services | 15,466 |
| Milliman & Robertson, Inc | Actuarial Consulting Services | 2,011 |
| Nat'l Assoc of Insurance Commissioners | Anti-Fraud Symposium Guest Speaker | 110 |
| Pearce Community School | Understanding LANS Training | 520 |
| Peat Marwick | Tax Consulting Services | 244 |
| Phillip W. Offill, Jr. | 1990 State-Wide Examiners Meeting Guest Speaker | 93 |
| Ralph Kirkley Assoc, Inc | Preparation Of Request For Proposal | 8,900 |
| Robert C. Quirk | Expert Witness | 1,470 |
| Sommers, Schwartz, Silver & Schwartz | Legal Services | 2,000 |
| Southern Bldg Code Congress International | Structural Blueprint Reading Training | 2,525 |
| State Auditor's Office | Audit Services | 14,831 |
| Strata Systems | Computer Consulting Services | 9,750 |
| Terrell Blodgett | State Fire Marshal Management Study | 9,900 |
| Tillinghast | Evaluate Investment Income Models | 9,800 |
| Welborn, Dufford, Brown & Tooley | Legal Services | 17,024 |
| TOTAL PROFESSIONAL FEES AND SERVICES (Exh. II) | | $ 307,995 |

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STATE BOARD OF INSURANCE (454)

## SCHEDULE 2
## SUMMARY OF REVENUES

For the fiscal year ended August 31, 1990

| | AMOUNT |
|---|---|
| | $ |
| **TAXES** | |
| Fund 001 - Workers Compensation Premium Tax - I.A.B. | 18,704,909 |
| Fund 001 - Premium Taxes (Sch. 2A) | 488,863,817 |
| Fund 001 - Surtax (Sch. 2A) | 2,219,168 |
| Fund 001 - Administrative Services Tax | (120,102) |
| Fund 001 - Consumer Protection Assessment | 1,166,213 |
| Fund 001 - State Sales Tax | 18,902 |
| Fund 036 - Motor Vehicle Maintenance Tax | 5,393,342 |
| Fund 036 - Fire Maintenance Tax | 19,513,636 |
| Fund 036 - Workers' Compensation Maintenance Tax | 10,209,954 |
| Fund 036 - Casualty Maintenance Tax | 6,622,169 |
| Fund 036 - Title Maintenance Tax | 952,579 |
| Fund 036 - Life Maintenance Tax | 3,953,801 |
| Fund 036 - Third Party Administrator Maintenance Tax | 886,697 |
| Fund 036 - Health Maintenance Organization Maintenance Tax | 1,513,435 |
| Fund 036 - Burial Annual Association Assessment | 50 |
| Fund 961 - City Sales Tax | 3,153 |
| Fund 964 - City Mass Transit Tax | 2,473 |
| **TOTAL TAXES** | 559,904,196 |
| **LICENSES, FEES, AND PERMITS** | |
| Fund 001 - Penalty In Lieu of Suspension/Cancellation | 380,891 |
| Fund 001 - License Fees - Rating Organizations | 584 |
| Fund 001 - Unauthorized Insurance Penalty | 20,000 |
| Fund 001 - Retaliatory Fees | 153,820 |
| Fund 036 - Catastrophic Pool Inspection Fees | 300,780 |
| Fund 036 - Domestic Filing Fees - Life | 681,982 |
| Fund 036 - Domestic Valuation Fees - Life | 66,010 |
| Fund 036 - Retaliatory Fees - Foreign Life | 30,028 |
| Fund 036 - Filing Fees - Property and Casualty | 307,764 |
| Fund 036 - Retaliatory Fees - Foreign Property and Casualty | 12,022 |
| Fund 036 - License and Exam Fees - Insurance Adjustors | 284,039 |
| Fund 036 - License and Exam Fees - Life and A & H Agents | 3,124,389 |
| Fund 036 - License and Exam Fees - Variable Annuity Agents | 210,182 |
| Fund 036 - License Fees - Life Insurance Counselors | 1,414 |
| Fund 036 - License Fees - Recording Agents | 677,447 |
| Fund 036 - License Fees - Solicitors | 80,029 |
| Fund 036 - License Fees - Nonresident Property and Casualty Agents | 59,894 |
| Fund 036 - License Fees - Surplus Lines Agents | 11,448 |
| Fund 036 - License Fees - Title Agents | 25,813 |
| Fund 036 - License Fees - Escrow Agents | 69,768 |
| Fund 036 - License Fees - Managing General Agents | 17,590 |
| Fund 036 - License and Exam Fees - Health Maintenance Organizations | 40,010 |
| Fund 036 - License and Exam Fees - Prepaid Legal Agents | 17,469 |
| Fund 036 - License Fees - Risk Managers | 21,683 |
| Fund 036 - Agents Certification and Clearance Letters | 44,567 |
| Fund 036 - License Fees - Agricultural Agents | 6,550 |
| Fund 036 - Filing Fees - Third Party Administrators | 91,056 |
| Fund 036 - Filing Fees - Foreign Risk Retention & Purchasing Groups | 18,275 |

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## SCHEDULE 2 (Concluded)

| | AMOUNT |
|---|---:|
| | $ |
| **LICENSE, FEES, AND PERMITS** | |
| Fund 036 - Examination Fees - Salaries and Travel Expense | 2,051,488 |
| Fund 036 - Examination Fees - Overhead Assessment | 9,005,831 |
| Fund 036 - Examination Fees - Market Conduct | 299,506 |
| Fund 036 - Examination Fees - HMO Audits | 2,243 |
| Fund 036 - Filing Fees - Policy Approval | 758,583 |
| Fund 036 - Filing Fees - Health Maintenance Organizations | 106,825 |
| Fund 036 - Filing Fees - Prepaid Legal | 200 |
| Fund 036 - Filing Fees - Insurance Premium Finance | 96,517 |
| Fund 036 - Examination and Assessment Fees - Insurance Premium Finance | 215,190 |
| Fund 036 - Filing Fees - Continuing Care Facilities | 12,514 |
| Fund 036 - Amusement Ride Safety Inspections | 25,754 |
| Fund 036 - License Fees - Fireworks | 93,602 |
| Fund 036 - License and Exam Fees - Fire Extinguisher | 230,510 |
| Fund 036 - License and Exam Fees - Fire Alarm | 260,867 |
| Fund 036 - License and Exam Fees - Sprinkler Systems | 291,780 |
| Fund 036 - Miscellaneous Certification Fees | 216 |
| **TOTAL LICENSES, FEES, AND PERMITS** | 20,207,130 |
| **INTEREST INCOME** | |
| Fund 001 - Interest on Local Deposits | 6,469 |
| Fund 001 - Interest - Other (Surplus Lines Premium Tax) | 391,803 |
| **TOTAL INTEREST INCOME** | 398,272 |
| **SALES OF GOODS AND SERVICES** | |
| Fund 001 - Sale of Publications | 250 |
| Fund 036 - Sale of Lists, Bulletins, Rating Data, etc. | 178,301 |
| Fund 036 - Sale of Computer Lists, Labels or Tapes | 140,216 |
| Fund 036 - Miscellaneous Other Sales | 65,493 |
| Fund 036 - Sale of Supplies and Services | 5,133 |
| **TOTAL SALES OF GOODS AND SERVICES** | 389,393 |
| **OTHER REVENUES** | |
| Fund 001 - Workers' Compensation Repayment | 61,498 |
| Fund 001 - Unemployment Benefit Repayment | 52,611 |
| Fund 001 - Warrants Voided By Statute of Limitations | 14,240 |
| Fund 001 - Other Miscellaneous Governmental Revenue | 148 |
| Fund 001 - Reimbursements - Third Party | 524 |
| Fund 001 - Sales Tax Discounts | 123 |
| Fund 036 - Warrants Voided By Statute of Limitations | 480 |
| Fund 036 - Reimbursements - Third Party | 273,404 |
| Fund 036 - Reimbursement of Conservation Expenses | 70,465 |
| **TOTAL OTHER REVENUES** | 473,493 |
| **TOTAL REVENUES** | $ 581,372,484 |

## SCHEDULE 2A
## SUMMARY OF PREMIUM AND SURTAXES

For the fiscal year ended August 31, 1990

| COMPANIES / SOURCES | PREMIUM TAX AMOUNT (FUND 001) | SURTAX AMOUNT (FUND 001) |
|---|---|---|
| | $ | $ |
| Occupation Tax, Penalty and Interest | 2,214,949 | |
| Domestic Life | 9,904,816 | 16,738 |
| Foreign Life | 152,867,766 | 482,091 |
| Foreign Life - Article 3.25 | 8,833 | |
| Domestic Stock Fire | 418,119 | 44 |
| Foreign Stock Fire | 134,871 | |
| Domestic Mutual Fire and/or Casualty | 5,186,044 | 3,354 |
| Foreign Mutual Fire and/or Casualty | 39,576,381 | 49,398 |
| Domestic Stock Fire and/or Casualty | 31,016,132 | 344,729 |
| Foreign Stock Fire and/or Casualty | 130,030,363 | (1,011,041) |
| Domestic Stock Casualty | 220,953 | 245 |
| Foreign Stock Casualty | 4,813,767 | 6,378 |
| Mexican Casualty | 123,310 | 35,394 |
| Domestic Lloyds | 18,787,763 | 66,131 |
| Foreign Lloyds | 23,223 | |
| Domestic Reciprocals | 4,923,260 | 10,212 |
| Foreign Reciprocals | 3,683,777 | 14,651 |
| Domestic Title | 1,220,874 | |
| Foreign Title | 2,426,220 | |
| Mutual Assessment Life, Health and Accident | 9,760 | (20) |
| County Mutual Fire and Casualty | 18,359,957 | (141,060) |
| Surplus Lines | 30,348,901 | 1,878,381 |
| Retaliatory Tax - Life, Accident and Health | 4,294,250 | |
| Retaliatory Tax - Property and Casualty | 1,593,708 | |
| Retaliatory Tax - Title Company | 250 | |
| Unauthorized Insurance | 67,228 | 13,187 |
| Stipulated Premium | 1,030,536 | 3,187 |
| Nonprofit Corporations | 7,067,277 | |
| Domestic Health Maintenance Organizations | 13,913,709 | |
| Foreign Health Maintenance Organizations | 89,410 | |
| Domestic Retention Group | 36,804 | (5,486) |
| Foreign Retention Group | 1,107,989 | 147 |
| Purchasing Group | 183,380 | 14,805 |
| Independently Procured Insurance | 3,179,237 | 437,703 |
| **TOTAL** | $ 488,863,817 (A) | $ 2,219,168 (B) |
| | (Sch. 2) | (Sch. 2) |

Note A: This amount represents gross premium taxes and does not reflect any refunds processed by the Comptroller of Public Accounts.

Note B: Art. 4.10 of the Texas Insurance Code expired on January 1, 1989, whereby surtaxes are no longer collected. These surtax amounts represent prior years' adjustments, receipts, and refunds.

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STATE BOARD OF INSURANCE (454)

## SCHEDULE 2B
## COMPARATIVE STATEMENT OF REVENUES

1981-1990

| FISCAL YEAR | TAXES COLLECTED | LICENSES & FEES | OTHER REVENUES | TOTAL |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1981 | 189,178,884 | 8,452,077 | 387,441 | 198,018,402 |
| 1982 | 204,015,832 | 9,817,775 | 378,127 | 214,211,734 |
| 1983 | 219,816,984 | 10,915,137 | 409,365 | 231,141,486 |
| 1984 | 363,666,816 | 12,920,157 | 503,863 | 377,090,836 |
| 1985 | 367,490,438 | 13,444,339 | 664,406 | 381,599,183 |
| 1986 | 412,021,788 | 15,472,796 | 504,000 | 427,998,584 |
| 1987 | 421,763,856 | 18,223,760 | 994,118 | 440,981,734 |
| 1988 | 568,044,203 | 23,270,176 | 511,123 | 591,825,502 |
| 1989 | 504,924,053 | 18,867,975 | 762,230 | 524,554,258 |
| 1990 | 559,904,196 | 20,207,130 | 1,261,158 | 581,372,484 |

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## SCHEDULE 3
## DETAIL OF ADDITIONS AND DEDUCTIONS - ALL AGENCY FUNDS

For the fiscal year ended August 31, 1990

| | DEPARTMENTAL SUSPENSE ACCOUNT (FUND 900) | EMPLOYEES' SAVINGS BOND ACCOUNT (FUND 901) | UNCLAIMED DIVIDEND TRUST ACCOUNT (FUND 923) | TOTALS |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **ADDITIONS:** | | | | |
| Suspense Account Deposits | 587,561,335 | | | 587,561,335 |
| Payroll Deductions | | 93,088 | | 93,088 |
| Unclaimed Dividends | | | 14,605 | 14,605 |
| **TOTAL ADDITIONS (EXH. B-3)** | 587,561,335 | 93,088 | 14,605 | 587,669,028 |
| **DEDUCTIONS:** | | | | |
| Clearance to City - | | | | |
| Sales Tax Trust Account | 3,152 | | | 3,152 |
| Mass Transit Authority Tax Trust Account | 2,472 | | | 2,472 |
| Clearance to State - | | | | |
| Sales Tax Trust Account | 18,902 | | | 18,902 |
| Clearance to General Revenue Fund 001 | 512,190,185 | | | 512,190,185 |
| Clearance to Insurance Board Operating Fund 036 | 68,536,425 | | | 68,536,425 |
| Refunds to Remitters | 648,229 | | | 648,229 |
| Returned Checks | 65,412 | | | 65,412 |
| Transfer to Other Agencies | 6,640 | | | 6,640 |
| Purchase of Employees' Savings Bonds | | 93,088 | | 93,088 |
| Transfer to General Revenue Fund 001 | | | 174 | 174 |
| **TOTAL DEDUCTIONS (EXH. B-3)** | $ 581,471,417 | $ 93,088 | $ 174 | $ 581,564,679 |